

EXHIBIT E

EXHIBIT E-1
PRO FORMA TITLE POLICY FOR AREA A
[To be attached.]

POLICY OF TITLE INSURANCE ISSUED BY

**STEWART TITLE
GUARANTY COMPANY**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;

and in addition, as to an insured lender only:

5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage; said mortgage being shown in Schedule B in the order of its priority;
7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

Signed under seal for the Company, but this Policy is to be valid only when it bears an authorized countersignature.

**STEWART TITLE
GUARANTY COMPANY**PROFORMA

Chairman of the Board

PROFORMA

President

Countersigned:

PROFORMA

Authorized Countersignature

STEWART TITLE OF CALIFORNIA, INC.
Agent ID: 051146

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had value paid for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes
 - (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12 (c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land); (ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not; (iii) the parties designated in Sections 2(a) of these Conditions and Stipulations.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "insured lender": the owner of an insured mortgage.
- (d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.
- (e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (f) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (i) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

(a) **After Acquisition of Title by Insured Lender.** If this policy insures the owner of the indebtedness secured by an insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) **After Conveyance of Title by an Insured.** The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to an insured.

(c) **Amount of Insurance:** The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:

- (i) The Amount of Insurance stated in Schedule A; (ii) The amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or (iii) The amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4 (a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and

CONDITIONS AND STIPULATIONS Continued
(continued from reverse side of Policy Face)

shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit an examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by an insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that insured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
(ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of the options provided for in paragraphs a(i), all liability and obligations to the insured under this policy, other than to make the payment required in that paragraph, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company's obligation to an insured Lender under this policy for the claimed loss or damage, other than the payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the option provided for in paragraph b(i) or b(ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy to an insured lender shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or, (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(continued and concluded on reverse side)

(CLTA Owner Policy)

Conditions and Stipulations continued and concluded

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, or, if applicable, to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

11. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-insured Obligor.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY.

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at P.O. Box 2029, Houston, Texas 77252-2029, and identify this policy by its printed policy serial number which appears on the bottom of the front of the first page of this policy.

SAMPLE FORM

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY 1990

SCHEDULE A

GF OR
ORDER NO.: 040104934 (A1)

CHARGE: \$, TBD,

EFFECTIVE DATE: AT THE DATE OF RECORDING (REVISION NO. 3)

POLICY NO.: PROFORMA

AMOUNT: \$

1. NAME OF INSURED:

STATE OF CALIFORNIA ACTING BY AND THROUGH ITS DEPARTMENT OF
FISH AND GAME, WILDLIFE CONSERVATION BOARD

2. THE ESTATE OR INTEREST IN THE LAND DESCRIBED HEREIN AND WHICH
IS COVERED BY THIS POLICY IS:

FEE

3. THE ESTATE OR INTEREST REFERRED TO HEREIN IS AT DATE OF POLICY
VESTED IN:

STATE OF CALIFORNIA ACTING BY AND THROUGH ITS DEPARTMENT OF
FISH AND GAME, WILDLIFE CONSERVATION BOARD

NOTE:

THIS IS A PRO-FORMA POLICY, FURNISHED TO OR ON BEHALF OF THE
PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF
TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST
AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE
COMPANY TO PROVIDE ANY AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY
SUCH COMMITMENT MUST BE AN EXPRESS, WRITTEN UNDERTAKING ON
APPROPRIATE FORMS OF THE COMPANY.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040104934 (A1)

SCHEDULE A

PART II

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

AREA "A"

PARCEL 1: (SUMMA PARCEL 26) (QUAD II) (4211-16-5)

THAT PORTION OF THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, BOUNDED BY THE FOLLOWING DESCRIBED LINES:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT TWO (2) OF TRACT NO. 25165, AS SHOWN ON MAP RECORDED IN BOOK 674, PAGES 30, ET SEQ. OF MAPS RECORDS OF SAID COUNTY; THENCE ALONG THE BOUNDARY OF SAID TRACT NO. 25165, SOUTH 62 DEGREES 01' 26" WEST, 1921.44 FEET, SOUTH 62 DEGREES 02' 50" WEST, 1117.91 FEET, SOUTH 31 DEGREES 01' 18" WEST, 291.35 FEET, SOUTH 1309.16 FEET AND SOUTH 34 DEGREES 08' 33" EAST, 490.00 FEET TO THE NORTHWESTERLY LINE OF THE 380 FOOT WIDE BALLONA CREEK FLOOD CONTROL CHANNEL, AS DESCRIBED IN DECREE OF CONDEMNATION RECORDED IN BOOK 16382, PAGE 191, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID NORTHWESTERLY LINE, NORTH 55 DEGREES 51' 27" EAST, 3951.72 FEET TO A POINT IN THE WESTERLY LINE OF CULVER BOULEVARD AS DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED IN BOOK 16371, PAGE 72 OFFICIAL RECORDS OF SAID COUNTY, A RADIAL LINE OF THE CURVE IN SAID WESTERLY LINE BEARS NORTH 81 DEGREES 06' 41" WEST, TO SAID LAST MENTIONED POINT; THENCE NORTHERLY ALONG SAID WESTERLY LINE ON A CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 900 FEET, A DISTANCE OF 394.80 FEET TO THE END OF SAID CURVE; THENCE TANGENT TO SAID CURVE AND ALONG THE NORTHWESTERLY LINE OF SAID CULVER BOULEVARD, NORTH 34 DEGREES 01' 21" EAST, 40.18 FEET TO THE SOUTHWESTERLY LINE OF THE 60 FOOT STRIP OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 17, 1932, AS INSTRUMENT NO. 597, IN BOOK 11722 PAGE 329, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID SOUTHWESTERLY LINE, NORTH 55 DEGREES 58' 39" WEST, 60.00 FEET TO THE NORTHWESTERLY LINE OF SAID 60 FOOT STRIP; THENCE ALONG SAID NORTHWESTERLY LINE, NORTH 34 DEGREES 01' 21" EAST, 27.75 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF LINCOLN BOULEVARD, 100 FEET WIDE, A RADIAL LINE OF THE CURVE IN SAID SOUTHWESTERLY LINE BEARS NORTH 49 DEGREES 02' 43" EAST, TO SAID POINT; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE ON A CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 1950 FEET, A DISTANCE OF 348.54 FEET TO THE END OF SAID CURVE; THENCE TANGENT TO SAID CURVE AND ALONG THE SOUTHWESTERLY LINE OF SAID LINCOLN

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BOULEVARD, NORTH 51 DEGREES 11' 44" WEST, 759.57 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND WITHIN A STRIP OF LAND, TEN (10) FEET WIDE, THE NORTHEASTERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY BOUNDARY OF LOT TWO (2), TRACT NO. 25165, AS SHOWN ON MAP RECORDED IN BOOK 674, PAGE 30 TO 34, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITH THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN 100 FOOT STRIP OF LAND DESCRIBED IN DEED TO STATE OF CALIFORNIA, FOR LINCOLN BOULEVARD, RECORDED OCTOBER 26, 1931, AS INSTRUMENT NO. 516, IN BOOK 11130, PAGE 339, OFFICIAL RECORDS, IN THE OFFICE OF SAID RECORDER; THENCE SOUTH 51 DEGREES 15' 30" EAST, ALONG SAID LINCOLN BOULEVARD 550.00 FEET.

THE SOUTHEASTERLY LINE OF SAID TEN (10) FOOT STRIP OF LAND SHALL BE PROLONGED AT THE BEGINNING THEREOF SO AS TO TERMINATE IN SAID SOUTHEASTERLY LINE.

ALSO EXCEPT THEREFROM ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN, UNDER OR RECOVERABLE FROM THAT PORTION OF SAID LAND LYING SOUTHWESTERLY OF A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO JOSEPH PIERSON, RECORDED JULY 26, 1940 IN BOOK 17715, PAGE 91, OFFICIAL RECORDS, AS INSTRUMENT NO. 11; THENCE SOUTH 27 DEGREES 53' 30" EAST, 1000 FEET TO THE MOST EASTERLY CORNER OF SAID LAND OF PIERSON; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LAND, SOUTH 62 DEGREES 06' 30" WEST, 676.43 FEET TO A POINT DISTANT NORTH 62 DEGREES 06' 30" WEST, 323.57 FEET FROM THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN SAID DEED TO PIERSON; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF DEL REY BEACH, AS SHOWN ON MAP RECORDED IN BOOK 6, PAGE 186 OF MAPS, RECORDS OF SAID COUNTY, TO THE SOUTHEASTERLY LINE OF THE LAND HEREINABOVE DESCRIBED.

INSTRUMENTS EXECUTED BY ARNOLD D. HASKELL, EUGENE P. CLARK, J. H. RISENHEBERGER, PAUL NOURSE AND UNION OIL COMPANY OF CALIFORNIA, WHEREBY THEY WAIVE ANY RIGHTS THAT THEY MAY HAVE TO ERECT OR CONSTRUCT UPON SURFACE OF:

THAT PART OF THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHWEST LINE OF THE 42.24 ACRE

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TRACT OF LAND ALLOTTED TO GREGORIA TALAMANTES BY THE FINAL DECREE OF PARTITION OF SAID RANCHO LA BALLONA HAD IN CASE NO. 965 OF THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE STATE OF CALIFORNIA, WHICH POINT LIES SOUTH 62 DEGREES 06' 30" WEST, 1249.73 FEET, MEASURED ALONG SAID NORTHWEST LINE FROM A TWO-INCH IRON PIPE SET IN CONCRETE AT THE MOST SOUTHERLY CORNER OF LOT SEVEN (7) OF PRADERA TRACT, AS SAID TRACT IS DELINEATED UPON A MAP RECORDED IN BOOK 16, PAGE 38 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT ALSO BEING THE WEST CORNER OF A 22.96 ACRE PARCEL OF LAND DEEDED BY DEL REY COMPANY TO JOSEPH PIERSON, AS PER DEED RECORDED IN BOOK 17715, PAGE 91, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 62 DEGREES 06' 30" WEST, 1006.37 FEET ALONG SAID NORTHWEST LINE OF 42.24 ACRE TRACT TO A FOUR-INCH STAKE; THENCE SOUTH 27 DEGREES 53' 30" EAST, 700 FEET NORMAL TO THE LAST MENTIONED COURSE TO A FOUR-INCH STAKE; THENCE NORTH 62 DEGREES 06' 30" EAST, 581.37 FEET PARALLEL TO SAID NORTHWEST LINE OF THE 42.24 ACRE TRACT, TO A FOUR-INCH STAKE; THENCE NORTH 27 DEGREES 53' 30" WEST, 50 FEET NORMAL TO THE LAST MENTIONED COURSE TO A FOUR-INCH BY FOUR-INCH STAKE; THENCE NORTH 62 DEGREES 06' 30" EAST, 150 FEET PARALLEL TO SAID NORTHWEST LINE OF THE 42.24 ACRE TRACT, TO A FOUR-INCH BY FOUR-INCH STAKE; THENCE SOUTH 27 DEGREES 53' 30" EAST, 50 FEET NORMAL TO THE LAST MENTIONED COURSE TO A FOUR-INCH BY FOUR-INCH STAKE; THENCE NORTH 62 DEGREES 06' 30" EAST, 275 FEET PARALLEL TO SAID NORTHWEST LINE OF THE 42.24 ACRE TRACT, TO A FOUR-INCH STAKE IN THE SOUTHWEST LINE OF SAID 22.96 ACRE PARCEL OF LAND DEEDED TO JOSEPH PIERSON; THENCE NORTH 27 DEGREES 35' 30" WEST, 700 FEET NORMAL TO SAID NORTHWESTERLY LINE OF THE 42.24 ACRE TRACT TO THE POINT OF BEGINNING MARKED BY A FOUR-INCH BY FOUR-INCH STAKE, ANY OIL WELL RIG OR OTHER STRUCTURE OF ANY NATURE OR KIND, BUT DO NOT WAIVE, BUT EXPRESSLY RESERVE RIGHT TO REMOVE FROM, OR FROM UNDER SAID REAL PROPERTY ANY MINERAL, OIL, GAS OR OTHER HYDROCARBON SUBSTANCES CONTAINED IN, OR WHICH IS OR MAY BE UNDER SAME, BY MEANS OF ANY WELL OR OTHER STRUCTURE ERECTED UPON REAL PROPERTY OTHER THAN THE PROPERTY DESCRIBED IN PARCEL 2 AND TO PROJECT ANY WELLS, THE DRILLING OF WHICH IS COMMENCED OUTSIDE OF THE BOUNDARIES OF SAID PARCEL 1, UNDER SAID REAL PROPERTY FOR PURPOSE OF REMOVING SAID OIL, GAS OR OTHER HYDROCARBON SUBSTANCES, RECORDED IN BOOK 19794, PAGE 69; IN BOOK 19797, PAGE 54; IN BOOK 19802, PAGE 55 AND IN BOOK 19761, PAGE 213, OFFICIAL RECORDS.

PARCEL 2: (QUAD II) (4211-15-7)

THAT PORTION OF THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF THE

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380 FEET STRIP OF LAND DESCRIBED IN THE DECREE OF CONDEMNATION TO LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, RECORDED IN BOOK 16382 PAGE 191, OFFICIAL RECORDS, WITH THE SOUTHWESTERLY LINE OF ROOSEVELT HIGHWAY, NOW LINCOLN BOULEVARD; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE ON A CURVE TO THE LEFT 137.23 FEET, TO THE SOUTHEASTERLY LINE OF CULVER BOULEVARD, AS DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED IN BOOK 16371 PAGE 72, OFFICIAL RECORDS; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE 261.05 FEET, TO THE NORTHWESTERLY LINE SAID 380 FOOT STRIP; THENCE ALONG SAID NORTHWESTERLY LINE, NORTH 55 DEGREES 51' 27" EAST, 220.17 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN, UNDER OR RECOVERABLE FROM THAT PORTION OF SAID LAND LYING SOUTHWESTERLY OF A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO JOSEPH PIERSON, RECORDED JULY 26, 1940, AS INSTRUMENT NO. 11, IN BOOK 17715 PAGE 91, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 27 DEGREES 53' 30" EAST, 1000 FEET TO THE MOST EASTERLY CORNER OF SAID LAND OF PIERSON; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LAND, SOUTH 62 DEGREES 06' 30" WEST, 676.43 FEET TO A POINT DISTANT NORTH 62 DEGREES 06' 30" EAST, 323.57 FEET FROM THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED IN SAID DEED TO PIERSON; THENCE SOUTHEASTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF DEL REY BEACH, AS SHOWN ON MAP RECORDED IN BOOK 5 PAGE 186 OF MAPS, RECORDS OF SAID COUNTY, TO THE SOUTHEASTERLY LINE OF THE LAND HEREINBEFORE DESCRIBED.

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SCHEDULE B

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES) WHICH ARISE BY REASON OF:

PART 1

~~1. TAXES OR ASSESSMENTS WHICH ARE NOT SHOWN AS EXISTING LIENS BY THE RECORDS OF ANY TAXING AUTHORITY THAT LEVIES TAXES OR ASSESSMENTS ON REAL PROPERTY OR BY THE PUBLIC RECORDS.~~

~~PROCEEDINGS BY A PUBLIC AGENCY WHICH MAY RESULT IN TAXES OR ASSESSMENTS, OR NOTICES OF SUCH PROCEEDINGS, WHETHER OR NOT SHOWN BY THE RECORDS OF SUCH AGENCY OR BY THE PUBLIC RECORDS.~~

~~2. ANY FACTS, RIGHTS, INTERESTS OR CLAIMS WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS BUT WHICH COULD BE ASCERTAINED BY AN INSPECTION OF THE LAND OR WHICH MAY BE ASSERTED BY PERSONS IN POSSESSION THEREOF.~~

3. EASEMENTS, LIENS OR ENCUMBRANCES, OR CLAIMS THEREOF, WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

4. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA, ENCROACHMENTS, OR ANY OTHER FACTS WHICH A CORRECT SURVEY WOULD DISCLOSE, AND WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

5. (A) UNPATENTED MINING CLAIMS; (B) RESERVATIONS OR EXCEPTIONS IN PATENTS OR IN ACTS AUTHORIZING THE ISSUANCE THEREOF; (C) WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT THE MATTERS EXCEPTED UNDER (A) (B) OR (C) ARE SHOWN BY THE PUBLIC RECORDS.

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SCHEDULE B

PART II

1. INTENTIONALLY DELETED.

2. INTENTIONALLY DELETED.

THE FOLLOWING MATTERS AFFECT QUAD II

3. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO PURPOSE	COUNTY OF LOS ANGELES EXTENDING EMBANKMENT SLOPES BEYOND THE SOUTH- EASTERLY LIMITS OF CULVER BOULEVARD FOR CONSTRUCTING AN OVERHEAD GRADE SEPARATION SEPARATING CULVER BOULEVARD FROM LINCOLN BOULEVARD
RECORDED	JANUARY 22, 1932 AS INSTRUMENT NO. 1217, IN BOOK 11340 PAGE 265, OFFICIAL RECORDS
AFFECTS	THAT PORTION OF PARCELS 1 AND 2 OF QUAD II MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT

4. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES, IN FAVOR OF FOR RECORDED	CITY OF LOS ANGELES SANITARY SEWER AND STORM DRAIN NOVEMBER 3, 1930 AS INSTRUMENT NO. 753, IN BOOK 10418, PAGE 126, OFFICIAL RECORDS
AFFECTS	THAT PORTION OF PARCEL 1 OF QUAD II MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT

5. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES, IN FAVOR OF FOR RECORDED	SOUTHERN CALIFORNIA EDISON COMPANY, LTD. A POLE LINE SEPTEMBER 24, 1940 AS INSTRUMENT NO. 1509, IN BOOK 17818, PAGE 325, OFFICIAL RECORDS
AFFECTS	A PORTION OF PARCEL 1 OF QUAD II AS MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT

6. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES, IN FAVOR OF FOR RECORDED	ASSOCIATED TELEPHONE COMPANY, LTD. POLE LINES AND CONDUITS JUNE 27, 1941 AS INSTRUMENT NO. 1257, IN BOOK 18482, PAGE 367, OFFICIAL RECORDS
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AFFECTS

A PORTION OF PARCEL 1 OF QUAD II AS MORE
PARTICULARLY DESCRIBED IN SAID DOCUMENT

7. THE FREE AND UNOBSTRUCTED RIGHT FROM TIME TO TIME TO EXPLORE FOR, MINE FOR, DRILL FOR, PRODUCE, TREAT, TRANSPORT, STORE AND REMOVE MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND INCIDENTAL PURPOSES, AS MORE FULLY DEFINED IN AND AS RESERVED BY UNION OIL COMPANY OF CALIFORNIA, A CORPORATION, IN THE DEED RECORDED MAY 29, 1945 AS INSTRUMENT NO. 6, IN BOOK 21983, PAGE 305, OFFICIAL RECORDS.

SAID RIGHTS, INsofar AS THEY AFFECT PORTIONS OF SAID LAND, WERE MODIFIED BY DEEDS FROM UNION OIL COMPANY OF CALIFORNIA, RECORDED FEBRUARY 5, 1959 AS INSTRUMENT NO. 4213, IN BOOK D-356, PAGE 958, OFFICIAL RECORDS, AND RECORDED AUGUST 21, 1958 AS INSTRUMENT NO. 4834, IN BOOK D-579, PAGE 972, OFFICIAL RECORDS, AND BY AGREEMENT RECORDED MARCH 15, 1961 AS INSTRUMENT NO. 3819, IN BOOK D-1156, PAGE 518, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCEL 1 OF QUAD II

8. THE EXCLUSIVE RIGHT, AFFECTING THAT PORTION OF SAID LAND INCLUDED WITHIN THE LAND DESCRIBED IN DEED NEXT REFERRED TO, TO USE THE SUBSURFACE OF SAID LAND AND ALL ZONES CONTAINED THEREIN, REGARDLESS OF DEPTH, FOR THE INJECTION OF GAS INTO, THE STORAGE OF GAS IN, AND/OR THE WITHDRAWAL OF GAS FROM SAID PROPERTY, AND INCIDENTAL PURPOSES, AS MORE FULLY DESCRIBED IN AND AS RESERVED BY SOUTHERN CALIFORNIA GAS COMPANY, IN DEED RECORDED NOVEMBER 21, 1946 AS INSTRUMENT NO. 1046, IN BOOK 23939, PAGE 338, OFFICIAL RECORDS.

SAID RIGHTS, INsofar AS THEY AFFECT A PORTION OF SAID LAND, WERE MODIFIED BY DEED FROM SOUTHERN CALIFORNIA GAS COMPANY, RECORDED FEBRUARY 6, 1959 AS INSTRUMENT NO. 4278, IN BOOK D-358, PAGE 367, OFFICIAL RECORDS, AS MODIFIED BY AN INSTRUMENT RECORDED AUGUST 14, 1959 IN BOOK M-339, PAGE 989, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCEL 1 OF QUAD II

9. AN AGREEMENT AFFECTING PARCEL 1 OF QUAD II DATED AUGUST 15, 1963, WHEREBY HUGHES TOOL COMPANY, A CORPORATION, HEREBY CONVEYS TO SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, THE EXCLUSIVE RIGHT TO USE SUBSURFACE MINERAL, OIL AND/OR GAS ZONES FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS (WHETHER PROVIDED FROM SUCH OR OTHER PROPERTY) THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME; BUT WITH NO RIGHT TO USE THE SURFACE OR TO CARRY ON SUCH OPERATION EXCEPT BETWEEN A DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE THEREOF, WHICH AGREEMENT ALSO

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RECITES THAT:

HUGHES TOOL COMPANY HEREBY COVENANTS AND AGREES TO PROHIBIT EXPLORATION FOR MINERAL, OIL, GAS OR OTHER HYDROCARBONS BETWEEN DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE, RECORDED AUGUST 30, 1963 AS INSTRUMENT NO. 7055, IN BOOK M-1338, PAGE 287, OFFICIAL RECORDS.

10. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,	
GRANTED TO	SOUTHERN CALIFORNIA GAS COMPANY
PURPOSE	WORKING, OPERATING, CLEANING OUT, DEEPENING, REDRILLING, PLUGGING BACK AND ABANDONING DEL REY WELLS, 11, 12, 13, 14, 15, 17 AND 19 AND FOR THE CONSTRUCTION, INSTALLATION, OPERATION, MAINTENANCE AND REMOVAL OF PIPELINES, TOGETHER WITH THE RIGHT TO CONSTRUCT AND MAINTAIN A PRIVATE ROADWAY
RECORDED	IN BOOK D 2166, PAGE 904, OF OFFICIAL RECORDS
AFFECTS	A PORTION OF SAID LAND MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT

ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES, PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963, RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280, OF OFFICIAL RECORDS.

11. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO	SOUTHERN CALIFORNIA GAS COMPANY, A CALIFORNIA CORPORATION
PURPOSE	UTILITIES
RECORDED	SEPTEMBER 1, 1983
INSTRUMENT/FILE NO	83-1027591, OF OFFICIAL RECORDS
AFFECTS	A STRIP OF LAND 15 FEET WIDE AS THEREIN DESCRIBED

12. AN ACTION IN THE SUPERIOR COURT

COMMENCED	MAY 15, 1961
ENTITLED	LOS ANGELES FLOOD CONTROL DISTRICT VS. SHELL OIL COMPANY, ET AL.
CASE NO.	771085
COUNTY OF	LOS ANGELES

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NATURE OF ACTION	TO CONDEMN THE SLOPE EASEMENT FOR THE WIDENING OF FLOOD CONTROL CHANNEL
NOTICE OF SAID ACTION RECORDED	MAY 15, 1961 AS INSTRUMENT NO. 5153, IN BOOK M771, PAGE 334, OF OFFICIAL RECORDS

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY
DESCRIBED IN SAID DOCUMENT.

13. RIGHTS OF THE FOLLOWING UNDER VARIOUS OFF-RECORD LEASES,
AGREEMENTS AND LICENSES, TO USE PORTION OF SAID LAND:

A. LEASE BETWEEN PLAYA PHASE 1 COMMERCIAL LAND COMPANY, LLC,
AS LANDLORD, AND THE COUNTY OF LOS ANGELES, AS TENANT, DATED
OCTOBER 12, 1998

14. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS
INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO	U.S. TRUST COMPANY OF CALIFORNIA, N.A., AS TRUSTEE
PURPOSE	ROADWAY IMPROVEMENTS AND FOR VEHICULAR ACCESS, INGRESS AND EGRESS
RECORDED	AUGUST 31, 1990
INSTRUMENT/FILE NO	90-1515157, OF OFFICIAL RECORDS
AFFECTS	A PORTION OF QUAD IV AND QUAD II AND ALL OF QUAD I

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

15. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED	"MEMORANDUM OF AGREEMENT"
DATED	JANUARY 4, 1996
BY: MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED	
RECORDED	APRIL 23, 1996
INSTRUMENT/FILE NO	96-637590, OF OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

16. INTENTIONALLY OMITTED.

17. INTENTIONALLY DELETED.

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18. INTENTIONALLY DELETED.

19. INTENTIONALY DELETED.

NOTE:

THIS IS A PRO-FORMA POLICY, FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE ANY AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS, WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

EXHIBIT E-2

PRO FORMA TITLE POLICY FOR AREA B RESIDENTIAL

[To be attached.]

POLICY OF TITLE INSURANCE ISSUED BY

STEWART TITLE

GUARANTY COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;

and in addition, as to an insured lender only:

5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage; said mortgage being shown in Schedule B in the order of its priority;
7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

Signed under seal for the Company, but this Policy is to be valid only when it bears an authorized countersignature.

STEWART TITLE

GUARANTY COMPANY

PROFORMA

Chairman of the Board

PROFORMA

President

Countersigned:

PROFORMA

Authorized Countersignature

STEWART TITLE OF CALIFORNIA, INC.
Agent ID: 051146

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had value paid for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes
 - (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12 (c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land); (ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not; (iii) the parties designated in Sections 2(a) of these Conditions and Stipulations.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "insured lender": the owner of an insured mortgage.
- (d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.
- (e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (f) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (i) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

- (a) **After Acquisition of Title by Insured Lender.** If this policy insures the owner of the indebtedness secured by insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.
- (b) **After Conveyance of Title by an Insured.** The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to an insured.

(c) **Amount of Insurance:** The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:

- (i) The Amount of Insurance stated in Schedule A; (ii) The amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or (iii) The amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4 (a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and

CONDITIONS AND STIPULATIONS Continued
(continued from reverse side of Policy Face)

shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit an examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by an insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that insured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or

(ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of the options provided for in paragraphs a(i), all liability and obligations to the insured under this policy, other than to make the payment required in that paragraph, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company's obligation to an insured Lender under this policy for the claimed loss or damage, other than the payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the option provided for in paragraph b(i) or b(ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The Liability of the Company under this policy to an insured lender shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or, (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(continued and concluded on reverse side)

(CLTA Owner Policy)

Conditions and Stipulations continued and concluded

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, or, if applicable, to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

11. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY.

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at P.O. Box 2029, Houston, Texas 77252-2029, and identify this policy by its printed policy serial number which appears on the bottom of the front of the first page of this policy.

SAMPLE FORM

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY 1990

SCHEDULE A

GF OR

ORDER NO.: 040104935 (A1)

CHARGE: \$, TBD, C

EFFECTIVE DATE: AT THE DATE OF RECORDING (REVISION NO. 2)

POLICY NO.: PROFORMA

AMOUNT: \$

1. NAME OF INSURED:

STATE OF CALIFORNIA ACTING BY AND THROUGH ITS DEPARTMENT OF FISH
AND GAME, WILDLIFE CONSERVATION BOARD

2. THE ESTATE OR INTEREST IN THE LAND DESCRIBED HEREIN AND WHICH
IS COVERED BY THIS POLICY IS:

A FEE

3. THE ESTATE OR INTEREST REFERRED TO HEREIN IS AT DATE OF POLICY
VESTED IN:

STATE OF CALIFORNIA ACTING BY AND THROUGH ITS DEPARTMENT OF FISH
AND GAME, WILDLIFE CONSERVATION BOARD

NOTE:

THIS IS A PRO-FORMA POLICY, FURNISHED TO OR ON BEHALF OF THE
PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF
TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST
AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE
COMPANY TO PROVIDE ANY AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY
SUCH COMMITMENT MUST BE AN EXPRESS, WRITTEN UNDERTAKING ON
APPROPRIATE FORMS OF THE COMPANY.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040104935 (A1)

SCHEDULE A

PART II

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

AREA B RESIDENTIAL

THAT PORTION OF THE RANCHO LA BALLONA, IN THE CITY OF LOS ANGELES IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BOUNDED AS FOLLOWS:

NORTHEASTERLY BY THE SOUTHWESTERLY LINE OF ROOSEVELT HIGHWAY, 100 FEET WIDE, PER BOOK 7188, PAGE 367, OFFICIAL RECORDS OF SAID COUNTY;

NORTHWESTERLY BY THE SOUTHEASTERLY LINE OF THE 380 FOOT STRIP OF LAND DESCRIBED IN THE DECREE OR CONDEMNATION TO LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, RECORDED IN BOOK 16332 PAGE 191, OFFICIAL RECORDS OF SAID COUNTY;

SOUTHEASTERLY BY THE NORTHWESTERLY LINE OF SAID JEFFERSON BOULEVARD, FORMERLY PLAYA STREET, 33 FEET WIDE, AS SHOWN ON TOWNSITE OF PLAYA DEL REY, AS PER MAP RECORDED IN BOOK 107, PAGE 40, OF MISCELLANEOUS RECORDS OF SAID COUNTY;

SOUTHWESTERLY BY THE FOLLOWING DESCRIBED LAND:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF JEFFERSON BOULEVARD, 100 FOOT WIDE, DISTANT THEREON SOUTH 61 DEGREES 14 MINUTES 57 SECONDS WEST 2,217.38 FEET FROM THE SOUTHERLY TERMINUS OF THE LINE SHOWN AS SOUTH 4 DEGREES 42 MINUTES 40 SECONDS WEST, 65.51 FEET OF THE LAND DESIGNATED AS PARCEL 2B IN LIS PENDENS RECORDED SEPTEMBER 3, 1965 AS INSTRUMENT NO. 5086, IN BOOK M-1969 PAGE 549, OFFICIAL RECORDS OF SAID COUNTY, SAID POINT ALSO BEING THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE NORTH AND HAVING A RADIUS OF 957.00 FEET; THENCE WESTERLY 569.49 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 34 DEGREES 05 MINUTES 44 SECONDS TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 20.00 FEET; THENCE NORTHWESTERLY 32.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 91 DEGREES 53 MINUTES 53 SECONDS TO THE BEGINNING OF A REVERSE CURVE, CONCAVE TO THE WEST AND HAVING A RADIUS OF 850.00 FEET; THENCE NORTHERLY 259.52 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17 DEGREES 29 MINUTES 37 SECONDS; THENCE NORTH 10 DEGREES 15 MINUTES 03 SECONDS WEST 284.01 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE EAST

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040104935 (A1)

AND HAVING A RADIUS OF 750.00 FEET; THENCE NORTHERLY 55.94 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 DEGREES 16 MINUTES 25 SECONDS TO THE NON-TANGENT SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN BOOK 16355, PAGE 127, OFFICIAL RECORDS, SAID LINE ALSO BEING THE WESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN BOOK 16382, PAGE 191, OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION OF CULVER BOULEVARD, AS DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED IN BOOK 16371 PAGE 72, OFFICIAL RECORDS OF SAID COUNTY;

ALSO EXCEPT THEREFROM THAT PORTION OF CULVER BOULEVARD, AS SHOWN AS AN UNNAMED ROAD ON THE MAP RECORDED IN BOOK 4049 PAGE 265 OF DEEDS, RECORDS OF SAID COUNTY;

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND DESIGNATED AS PARCEL 1-44 IN LIS PENDENS RECORDED JANUARY 13, 1970 AS INSTRUMENT NO. 1564, IN BOOK M3387 PAGE 860, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND DESIGNATED AS PARCEL 2B IN LIS PENDENS RECORDED SEPTEMBER 3, 1965 AS INSTRUMENT NO. 5086, IN BOOK M-1969 PAGE 549, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND DESIGNATED AS PARCELS 9-18 IN FINAL ORDER OF CONDEMNATION RECORDED APRIL 22, 1977 AS INSTRUMENT NO. 77-413488, OFFICIAL RECORDS OF SAID COUNTY.

EXCEPTING FROM PORTION OF THE ABOVE DESCRIBED LAND, ALL THE MINERAL RIGHTS TOGETHER WITH THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OIL AND GAS FORMATIONS FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME, EXCLUDING HOWEVER, THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND FOR ANY OF SAID PURPOSES, AS RESERVED BY THE UNITED STATES OF AMERICA, BY DECREE ENTERED FEBRUARY 15, 1948 IN THE UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION, CASE NO. 2454-B CIVIL, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 25, 1949 AS INSTRUMENT NO. 342, IN BOOK 29672, PAGE 52, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

THIS LEGAL DESCRIPTION WAS PREPARED AS A CONVENIENCE AND IS NOT INTENDED FOR THE USE IN THE DIVISION AND/OR CONVEYANCE OF LAND IN VIOLATION OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040104935 (A1)

SCHEDULE B

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES) WHICH ARISE BY REASON OF:

PART 1

~~1. TAXES OR ASSESSMENTS WHICH ARE NOT SHOWN AS EXISTING LIENS BY THE RECORDS OF ANY TAXING AUTHORITY THAT LEVIES TAXES OR ASSESSMENTS ON REAL PROPERTY OR BY THE PUBLIC RECORDS.~~

~~PROCEEDINGS BY A PUBLIC AGENCY WHICH MAY RESULT IN TAXES OR ASSESSMENTS, OR NOTICES OF SUCH PROCEEDINGS, WHETHER OR NOT SHOWN BY THE RECORDS OF SUCH AGENCY OR BY THE PUBLIC RECORDS.~~

~~2. ANY FACTS, RIGHTS, INTERESTS OR CLAIMS WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS BUT WHICH COULD BE ASCERTAINED BY AN INSPECTION OF THE LAND OR WHICH MAY BE ASSERTED BY PERSONS IN POSSESSION THEREOF.~~

3. EASEMENTS, LIENS OR ENCUMBRANCES, OR CLAIMS THEREOF, WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

4. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA, ENCROACHMENTS, OR ANY OTHER FACTS WHICH A CORRECT SURVEY WOULD DISCLOSE, AND WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

5. (A) UNPATENTED MINING CLAIMS; (B) RESERVATIONS OR EXCEPTIONS IN PATENTS OR IN ACTS AUTHORIZING THE ISSUANCE THEREOF; (C) WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT THE MATTERS EXCEPTED UNDER (A) (B) OR (C) ARE SHOWN BY THE PUBLIC RECORDS.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040104935 (A1)

SCHEDULE B

PART II

1. INTENTIONALLY DELETED.

2. INTENTIONALLY DELETED.

3. THE RIGHT OF THE PUBLIC TO USE FOR ROAD PURPOSES, THAT PORTION OF SAID PARCEL 5 QUAD III WHICH IS INCLUDED WITHIN THE STRIPS OF LAND, 50 FEET IN WIDTH, DESCRIBED IN THOSE CERTAIN DEEDS TO COUNTY OF LOS ANGELES, RECORDED IN BOOK 4049, PAGE 265 OF DEEDS, AND IN BOOK 4049, PAGE 262, OF DEEDS.

4. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES CONDEMNED BY FINAL DECREE

IN FAVOR OF	COUNTY OF LOS ANGELES
FOR	SANITARY SEWER AND STORM DRAIN
CASE NO.	260321 SUPERIOR COURT
RECORDED	IN BOOK 10418, PAGE 126, OF OFFICIAL RECORDS

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT.

5. SUCH RIGHTS, AFFECTING THOSE PORTIONS OF SAID LAND WITHIN TWO STRIPS OF LAND, EACH 60 FEET WIDE, DESCRIBED IN BOOK 3805, PAGE 107 OF DEEDS, AND IN DEED RECORDED IN BOOK 1633, PAGE 143 OF DEEDS, AND IN BOOK 1685, PAGE 233 OF DEEDS, AS THE CITY OF LOS ANGELES MAY HAVE OR CLAIM TO AN EASEMENT FOR SANITARY SEWER AND STORM DRAIN PURPOSES OVER THAT PORTION OF SAID LAND LYING WITHIN THE SOUTHEASTERLY PROLONGATION OF THE 20 FOOT STRIP OF LAND DESCRIBED AS PARCEL 5 IN THE CONDEMNATION ACTION BROUGHT BY THE CITY OF LOS ANGELES AFFECTING ADJOINING PROPERTY, CASE NO. 260321, SUPERIOR COURT, LOS ANGELES COUNTY ABOVE DESCRIBED.

6. THE EXCLUSIVE RIGHT, AFFECTING THAT PORTION OF SAID LAND INCLUDED WITHIN THE LAND DESCRIBED IN DEED NEXT REFERRED TO, TO USE THE SUBSURFACE OF SAID LAND AND ALL ZONES CONTAINED THEREIN, REGARDLESS OF DEPTH, FOR THE INJECTION OF GAS INTO, THE STORAGE OF GAS IN, AND/OR THE WITHDRAWAL OF GAS FROM SAID PROPERTY AND INCIDENTAL PURPOSES MORE FULLY DESCRIBED IN AND AS RESERVED BY SOUTHERN CALIFORNIA GAS COMPANY, IN DEED RECORDED NOVEMBER 21, 1946 AS INSTRUMENT NO. 1046, IN BOOK 23939, PAGE 338, OFFICIAL RECORDS.

SAID RIGHTS, INSOFAR AND THEY AFFECT A PORTION OF SAID LAND,

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WERE MODIFIED BY DEED FROM SOUTHERN CALIFORNIA GAS COMPANY, RECORDED FEBRUARY 6, 1959 AS INSTRUMENT NO. 4278, IN BOOK D-358, PAGE 367, OFFICIAL RECORDS, AS MODIFIED BY AN INSTRUMENT RECORDED AUGUST 14, 1959 IN BOOK M-339, PAGE 989, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

7. AN AGREEMENT AFFECTING PARCELS 1, 3 AND 5 OF QUAD III, DATED AUGUST 15, 1963, WHEREBY HUGHES TOOL COMPANY, A CORPORATION, CONVEYS TO SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, THE EXCLUSIVE RIGHT TO USE SUBSURFACE MINERAL, OIL AND/OR GAS ZONES FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS (WHETHER PROVIDED FROM SUCH OR OTHER PROPERTY) THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME; BUT, WITH NO RIGHT TO USE THE SURFACE OR TO CARRY ON SUCH OPERATION EXCEPT BETWEEN A DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE THEREOF, WHICH AGREEMENT ALSO RECITES THAT

HUGHES TOOL COMPANY HEREBY COVENANTS AND AGREES TO PROHIBIT EXPLORATION FOR MINERAL, OIL, GAS OR OTHER HYDROCARBONS BETWEEN THE DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE, RECORDED AUGUST 30, 1963 AS INSTRUMENT NO. 7055, IN BOOK M1338, PAGE 287, OFFICIAL RECORDS.

8. INTENTIONALLY DELETED.

9. RESERVATION AND EXCEPTION CONTAINED IN DEED FROM RECONSTRUCTION FINANCE CORPORATION AND UNITED STATES OF AMERICA, BOTH ACTING BY AND THROUGH GENERAL SERVICES ADMINISTRATOR TO SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, DATED DECEMBER 1, 1953, RECORDED OCTOBER 15, 1954 AS INSTRUMENT NO. 580, IN BOOK 45847, PAGE 89, OFFICIAL RECORDS, THE LOCATION AND TERMS OF WHICH ARE MORE PARTICULARLY DESCRIBED THEREIN.

10. AN EASEMENT OVER SAID LAND FOR A SINGLE LINE OF POLES, WITH CROSS-ARMS AND WIRES, FOR PRIVATE TELEPHONE PURPOSES, TOGETHER WILL ALL RIGHTS OF WAY COVERING THE CONSTRUCTION AND MAINTENANCE OF SUCH FACILITIES, AS CONVEYED BY UNRECORDED SURFACE LEASE FROM DEL REY COMPANY TO P. M. PIKE, DATED JUNE 1, 1933 AND BY MESNE ASSIGNMENTS TRANSFERRED AND CONVEYED TO UNION OIL COMPANY OF CALIFORNIA, BY ASSIGNMENT OF LEASE FROM P. M. PIKE INVESTMENT COMPANY, DATED JANUARY 27, 1943, AS PROVIDED IN DECREE ENTERED JULY 12, 1946 IN ACTION NO. 2454, CIVIL, UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTAL DIVISION.

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

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11. THE EFFECT OF AN AGREEMENT, DATED JANUARY 18, 1952, EXECUTED BY AND BETWEEN SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION THEREIN CALLED "THE GAS CO." AND HUGHES TOOL COMPANY, A DELAWARE CORPORATION, THEREIN CALLED "HUGHES", RELATING TO THE UNITED STATES OF AMERICA, AS SET FORTH IN STIPULATION REFERRED TO THEREIN, UPON THE CONDITIONS, COVENANTS AND PROVISIONS CONTAINED IN SAID AGREEMENT, RECORDED JANUARY 18, 1952 AS INSTRUMENT NO. 2738 IN BOOK 38075, PAGE 427, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES, PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963, RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280 OF OFFICIAL RECORDS.

THE INTEREST OF "HUGHES" HAVING SUCCEEDED TO PLAYA CAPITAL CORPORATION

12. INTENTIONALLY DELETED.

13. INTENTIONALLY DELETED.

14. THE RIGHT AFFECTING THOSE PORTIONS OF THE RAMONA S. DE MACHADO 341.85095 ACRE ALLOTMENT IN THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN CASE NO. 2722, DISTRICT COURT, AND RECORDED IN BOOK 3, PAGE 204 ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

THOSE CERTAIN PARCEL OF LAND DESIGNATED AS "FIRST", "SECOND" AND "THIRD", IN THE DEED TO THE PACIFIC ELECTRIC RAILWAY COMPANY, RECORDED AUGUST 4, 1926 AS INSTRUMENT NO. 1540, IN BOOK 4680, PAGE 108, OFFICIAL RECORDS;

AND

THAT PORTION OF A STRIP OF LAND, 110 FEET IN WIDTH, DESIGNATED AS "CLAUSE 9" IN THE DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED JULY 14, 1908 IN BOOK 3805, PAGE 107 OF DEEDS; LYING SOUTHEASTERLY OF A LINE PARALLEL WITH AND DISTANT NORTHWESTERLY 33 FEET, MEASURED RADially FROM THE NORTHWESTERLY LINE OF THE STRIP OF LAND, 60 FEET IN WIDTH DESIGNATED AS "CLAUSE 1", IN SAID DEED TO LOS ANGELES PACIFIC COMPANY;

SAMPLE FORM

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AND THAT PORTION OF THE STRIP OF LAND, 60 FEET IN WIDTH, PARTLY WITHIN THE CITY OF LOS ANGELES, DESIGNATED AS "CLAUSE 1" IN SAID DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED JULY 14, 1909 IN BOOK 3806 PAGE 107 OF DEEDS, BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF CULVER BOULEVARD (FORMERLY MESMER AVENUE), AS DESCRIBED IN DEED TO THE CITY OF LOS ANGELES, RECORDED OCTOBER 15, 1927 IN BOOK 7709, PAGE 148, OFFICIAL RECORDS, AND BOUNDED NORTHEASTERLY BY THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED AS PARCEL 7 IN DECLARATION OF TAKING RECORDED NOVEMBER 4, 1942 AS INSTRUMENT NO. 612, IN BOOK 19608, PAGE 246, OFFICIAL RECORDS.

TO PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM SAID LAND BY DIRECTIONAL DRILLING OR ANY OTHER MEANS NOT REQUIRING THE OCCUPANCY OF THE SURFACE OF SAID LAND OR OF ANY PORTION THEREOF, INCLUDING THE RIGHT TO COMBINE SAID PROPERTY IN ANY COMMUNITY OIL LEASE, BUT NOT INCLUDING THE RIGHT TO ENTER UPON OR OCCUPY ANY PORTION OF THE SURFACE OF SAID LAND FOR SUCH PURPOSES, AS RESERVED BY PACIFIC ELECTRIC RAILWAY COMPANY, IN DEED RECORDED APRIL 3, 1946 IN BOOK 22930, PAGE 272, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCELS 2, 4, AND 5 OF QUAD III

15. AN ACTION IN THE SUPERIOR COURT

COMMENCED
ENTITLED

MAY 15, 1961

LOS ANGELES FLOOD CONTROL DISTRICT
VS. SHELL OIL COMPANY, ET AL.

CASE NUMBER

771085

COUNTY OF

LOS ANGELES

NATURE OF ACTION

TO CONDEMN THE SLOPE EASEMENT FOR THE
WIDENING OF FLOOD CONTROL CHANNEL

NOTICE OF SAID ACTION
RECORDED

MAY 15, 1961 AS INSTRUMENT NO. 5153 IN
BOOK M-771, PAGE 334, OFFICIAL RECORDS
THOSE PORTIONS OF PARCELS 4 AND 5 OF
QUAD III MORE PARTICULARLY DESCRIBED
IN SAID DOCUMENT

AFFECTS

16. INTENTIONALLY DELETED.

17. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES CONDEMNED BY FINAL DECREE

IN FAVOR OF
FOR

COUNTY OF LOS ANGELES
SLOPE EASEMENTS

CASE NO.
RECORDED

968057 SUPERIOR COURT, LOS ANGELES COUNTY
MARCH 31, 1972 AS INSTRUMENT NO. 5578,

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040104935 (A1)

AFFECTS | IN BOOK D5413, PAGE 512, OFFICIAL RECORDS
PARCELS 1 AND 3 OF QUAD III

AS AMENDED BY ORDER NUNC PRO TUNC RECORDED APRIL 26, 1972 AS
INSTRUMENT NO. 2934, OFFICIAL RECORDS.

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY
DESCRIBED IN SAID DOCUMENT.

18. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE
PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES CONDEMNED BY
FINAL DECREE

IN FAVOR OF | COUNTY OF LOS ANGELES
FOR | PERMANENT DRAINAGE EASEMENT
CASE NO. | 974384, SUPERIOR COURT, LOS ANGELES COUNTY
RECORDED | MARCH 31, 1972 AS INSTRUMENT NO. 5578,
| IN BOOK D-5413, PAGE 512, OFFICIAL RECORDS
AFFECTS | PARCELS 1 AND 3 OF QUAD III

AS AMENDED BY ORDER NUNC PRO TUNC RECORDED APRIL 26, 1972 AS
INSTRUMENT NO. 2934, OFFICIAL RECORDS.

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY
DESCRIBED IN SAID DOCUMENT.

19. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE
PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES CONDEMNED BY
FINAL DECREE

IN FAVOR OF | THE PEOPLE OF THE STATE OF CALIFORNIA, ACTING
BY AND THROUGH THE DEPARTMENT OF PUBLIC WORKS
FOR | PUBLIC HIGHWAY SLOPES PURPOSES
CASE NO. | 867869, SUPERIOR COURT, LOS ANGELES COUNTY
RECORDED | JUNE 13, 1969 AS INSTRUMENT NO. 3730,
| IN BOOK D-4402, PAGE 13, OF OFFICIAL RECORDS
AFFECTS | PARCEL 1, AND 3 OF QUAD III

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY
DESCRIBED IN SAID DOCUMENT.

20. INTENTIONALLY DELETED.

21. INTENTIONALLY DELETED.

22. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "MEMORANDUM OF AGREEMENT"

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040104935 (A1)

DATED | JANUARY 4, 1996
BY: MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED
PARTNERSHIP UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN
PROVIDED
RECORDED | APRIL 23, 1996
INSTRUMENT/FILE NO | 96-637590, OF OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

23. INTENTIONALLY DELETED.

24. INTENTIONALLY DELETED.

25. INTENTIONALLY DELETED.

26. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "NOTICE OF SPECIAL TAX LIEN
CITY OF LOS ANGELES COMMUNITY FACILITIES
DISTRICT NO. 5 (PLAYA VISTA-MASTER PLAN)"
UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | FEBRUARY 16, 2000
INSTRUMENT/FILE NO | 00-0240767, OF OFFICIAL RECORDS

27. INTENTIONALLY DELETED.

28. INTENTIONALLY DELETED.

29. INTENTIONALLY DELETED.

30. INTENTIONALLY DELETED.

31. INTENTIONALLY DELETED.

32. INTENTIONALLY DELETED.

33. INTENTIONALLY DELETED.

34. INTENTIONALLY DELETED.

35. INTENTIONALLY DELETED.

36. THE MATTERS CONTAINED IN AN INSTRUMENT:

ENTITLED | AGREEMENT
DATED | JUNE 1, 2002
BY AND BETWEEN: WEST BASIN MUNICIPAL WATER DISTRICT AND PLAYA
CAPITAL COMPANY, LLC UPON THE TERMS AND CONDITIONS AND
COVENANTS THEREIN PROVIDED.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040104935 (A1)

RECORDED | JULY 30, 2003
INSTRUMENT NO. | 03-2184705, OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

NOTE:

THIS IS A PRO-FORMA POLICY, FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE ANY AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS, WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

EXHIBIT E-3

PRO FORMA TITLE POLICY FOR BALLONA WETLANDS PARCEL

[To be attached.]

POLICY OF TITLE INSURANCE ISSUED BY

STEWART TITLE
GUARANTY COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;

and in addition, as to an insured lender only:

5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage; said mortgage being shown in Schedule B in the order of its priority;
7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

Signed under seal for the Company, but this Policy is to be valid only when it bears an authorized countersignature.

STEWART TITLE
GUARANTY COMPANYPROFORMA

Chairman of the Board

PROFORMA

President

Countersigned:

PROFORMA

Authorized Countersignature

STEWART TITLE OF CALIFORNIA, INC.
Agent ID: 051146

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had value paid for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes
 - (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12 (c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land); (ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not; (iii) the parties designated in Sections 2(a) of these Conditions and Stipulations.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "insured lender": the owner of an insured mortgage.
- (d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.
- (e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (f) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (i) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

- (a) **After Acquisition of Title by Insured Lender.** If this policy insures the owner of the indebtedness secured by insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.
- (b) **After Conveyance of Title by an Insured.** The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to an insured.
- (c) **Amount of Insurance:** The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:
 - (i) The Amount of Insurance stated in Schedule A;
 - (ii) The amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or
 - (iii) The amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4 (a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and

CONDITIONS AND STIPULATIONS Continued
(continued from reverse side of Policy Face)

shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit an examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by an insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that insured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
(ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of the options provided for in paragraphs a(i), all liability and obligations to the insured under this policy, other than to make the payment required in that paragraph, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company's obligation to an insured Lender under this policy for the claimed loss or damage, other than the payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the option provided for in paragraph b(i) or b(ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy to an insured lender shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or, (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(continued and concluded on reverse side)

(CLTA Owner Policy)

Conditions and Stipulations continued and concluded

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, or, if applicable, to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

11. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.
Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Insured's Rights and Limitations.
Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-insured Obligors.
The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY.

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at P.O. Box 2029, Houston, Texas 77252-2029, and identify this policy by its printed policy serial number which appears on the bottom of the front of the first page of this policy.

SAMPLE FORM

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY 1990

SCHEDULE A

GF OR

ORDER NO.: 040115088 (A1)

CHARGE: \$, TBD,

EFFECTIVE DATE: AT THE DATE OF RECORDING (REVISION NO. 3)

POLICY NO.: PROFORMA

AMOUNT: \$

1. NAME OF INSURED: STATE OF CALIFORNIA ACTING BY AND THROUGH ITS
DEPARTMENT OF FISH AND GAME, WILDLIFE CONSERVATION BOARD

2. THE ESTATE OR INTEREST IN THE LAND DESCRIBED HEREIN AND WHICH
IS COVERED BY THIS POLICY IS:

A FEE

3. THE ESTATE OR INTEREST REFERRED TO HEREIN IS AT DATE OF POLICY
VESTED IN:

STATE OF CALIFORNIA ACTING BY AND THROUGH ITS DEPARTMENT OF
FISH AND GAME, WILDLIFE CONSERVATION BOARD

NOTE:

THIS IS A PRO-FORMA POLICY, FURNISHED TO OR ON BEHALF OF THE
PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF
TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST
AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE
COMPANY TO PROVIDE ANY AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY
SUCH COMMITMENT MUST BE AN EXPRESS, WRITTEN UNDERTAKING ON
APPROPRIATE FORMS OF THE COMPANY.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

SCHEDULE A

PART II

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

PORTION PARCEL 2: (QUAD III) (APN 4211-14-4 & 12 AND 4211-17-4)
AREA B

THOSE PORTIONS OF THE RANCHO LA BALLONA AND THE RANCHO SAUSAL REDONDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY PROLONGATION THE EASTERLY LINE OF BLOCK 1 OF THE PLAYA DEL REY TOWNSITE, AS PER MAP RECORDED IN BOOK 2 PAGE 63 ET SEQ. OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT 13.5 FEET FROM THE MOST NORTHERLY CORNER OF SAID BLOCK; THENCE ALONG THE CENTER LINE OF THE 33 FOOT STRIP OF LAND WHICH WAS FORMERLY PLAYA STREET (NOW VACATED) ON A COURSE OF ABOUT NORTH 61 20" EAST, ABOUT 3860 FEET TO A POINT DISTANT 283.92 FEET EASTERLY FROM THE INTERSECTION OF SAID CENTER LINE WITH THE CENTER LINE OF 60 FOOT STRIP OF LAND DESCRIBED IN DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED IN BOOK 3805 PAGE 107 OF DEEDS, AND BEING EASTERLY EXTREMITY OF THE PORTION OF PLAYA STREET, AS VACATED; THENCE PARALLEL WITH THE EASTERLY LINE OF SAID 60 FOOT STRIP OF LAND, SOUTH 33 46' WEST, 36.06 FEET, MORE OR LESS TO THE SOUTHERLY LINE OF SAID PLAYA STREET; THENCE ALONG THE SAME, NORTH 61 EAST, TO A POINT 25.502 CHAINS WESTERLY FROM THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF THE 80.70 ACRE TRACT OF LAND DESCRIBED IN DEED TO R. J. NORTHAM, RECORDED IN BOOK 2091 PAGE 127 OF DEEDS; THENCE PARALLEL WITH THE WESTERLY LINE OF SAME, SOUTH 29 EAST, 20.02 CHAINS TO A POINT ESTABLISHED AS STATION 15 OF THE RANCHO LA BALLONA BY PROCEEDINGS HAD IN CASE NO. 20065 OF THE SUPERIOR COURT OF LOS ANGELES COUNTY; THENCE SOUTH 27 45' WEST, 337.85 FEET TO A POINT IN THE NORTHWESTERLY LINE OF BLOCK 71 OF M.L. WICKS ADDITION TO TOWN OF PORT BALLONA, AS PER MAP RECORDED IN BOOK 23 PAGE 33 ET SEQ. OF MISCELLANEOUS RECORDS; THENCE SOUTH 60 45' WEST, 1386 FEET TO A POINT IN THE NORTHERLY LINE OF BLOCK 60 OF THE TOWN OF PORT BALLONA AND DESIGNATED AS STATION 17 ON MAP THEREOF, RECORDED IN BOOK 16 PAGE 47 ET SEQ. OF MISCELLANEOUS RECORDS; THENCE SOUTH 82 30' WEST, 462 FEET TO STATION 18; THENCE SOUTH 52 DEGREES WEST, 990 FEET TO STATION 19; THENCE SOUTH 82 WEST, 660 FEET TO STATION 20-B; THENCE

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

SOUTH 60 45' WEST, 528 FEET TO STATION 21, SHOWN ON SAID LAST MENTIONED MAP; THENCE ALONG THE NORTHEASTERLY LINE OF NICHOLSON STRET, SHOWN ON MAP OF PLAYA DEL REY TOWNSITE, RECORDED IN BOOK 2 PAGE 63 ET SEQ., OF MAPS, NORTH 44 11' WEST, 297.93 FEET TO THE NORTH EXTREMITY THEREOF; THENCE ALONG THE NORTHWESTERLY LINE OF SAID TOWNSITE, SOUTH 45 49' WEST, TO THE NORTHEASTERLY LINE OF BLOCK "E" OF SAID TOWNSITE; THENCE ALONG SAID LAST MENTIONED LINE, NORTH 44 11' WEST, 61.35 FEET TO THE MOST NORTHERLY CORNER OF SAID BLOCK; THENCE NORTH 51 40' WEST, 119.03 FEET TO THE MOST EASTERLY CORNER OF BLOCK 2 OF SAID TOWNSITE; THENCE ALONG THE EASTERLY LINE OF BLOCK 1 AND 2 AND THE PROLONGATION THEREOF; NORTH 27 30' WEST, 1178.85 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

A PORTION OF SAID LAND IS ALSO SHOWN AS LOT 22, IN BLOCK 27 OF THE TOWN OF PORT BALLONA, IN SAID COUNTY AND STATE, AS PER MAP RECORDED IN BOOK 16 PAGE 47 ET SEQ. OF MISCELLANEOUS RECORDS OF SAID COUNTY AND A PORTION OF FOURTH AVENUE, VACATED AS SHOWN ON SAID MAP OF THE TOWN OF PORT BALLONA.

EXCEPT THEREFROM THAT PORTION OF SAID LAND WITHIN THE STRIP OF LAND CONVEYED TO THE COUNTY OF LOS ANGELES, BY DEED RECORDED IN BOOK 4049 PAGE 262 OF DEEDS.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND WITHIN A STRIP OF LAND 15 FEET WIDE, AS DESCRIBED IN BOOK 4243 PAGE 133, OF OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND DESIGNATED AS PARCEL 1-45 IN LIS PENDENS RECORDED ON JANUARY 13, 1970 AS INSTRUMENT NO. 1564, IN BOOK M-3387 PAGE 860, OF OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THOSE PORTIONS OF SAID LAND DESIGNATED AS PARCELS 9-18 AND 9-19 IN FINAL ORDER OF CONDEMNATION RECORDED APRIL 22, 1977 AS INSTRUMENT NO. 77-413488, OF OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THOSE PORTIONS OF SAID LAND DESIGNATED AS PARCELS 7-16, 7-17 AND 7-20 IN DECREE OF CONDEMNATION RECORDED APRIL 22, 1977 AS INSTRUMENT NO. 77-413489, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THE FOLLOWING PARCEL OF LAND:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF PLAYA STREET AND THE WESTERLY LINE OF ROOSEVELT HIGHWAY AS DESCRIBED IN THE DEED RECORDED IN BOOK 7448, PAGE 77, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

THENCE ALONG SAID SOUTHEASTERLY LINE OF PLAYA STREET SOUTH 61 14' 57" WEST 48.91 FEET; THENCE SOUTH 28 45' 03" EAST 33.50 FEET TO THE SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN BOOK 5662, PAGE 124 OF OFFICIAL RECORDS OF SAID COUNTY, SAID LINE BEING THE SOUTHEASTERLY LINE OF JEFFERSON BOULEVARD, 100.00 FEET WIDE, AS IT NOW EXISTS; THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH 61 14' 56" WEST 1539.30 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 16 19' 09" WEST 8.47 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 5.00 FEET; THENCE SOUTHERLY 6.38 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73 08' 41" TO THE BEGINNING OF A TANGENT LINE; THENCE ALONG SAID LINE SOUTH 56 49' 32" EAST 22.19 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHEASTERLY 12.99 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24 49' 02" TO THE BEGINNING OF A TANGENT LINE; THENCE SOUTH 32 00' 30" EAST 89.53 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 99.00 FEET; THENCE SOUTHEASTERLY 11.32 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6 33' 09" TO THE BEGINNING OF A TANGENT LINE; THENCE SOUTH 25 27' 21" EAST 145.17 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 225.00 FEET; THENCE SOUTHEASTERLY 57.82 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14 43' 26" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 235.00 FEET THROUGH WHICH A RADIAL LINE BEARS SOUTH 49 56' 17" WEST; THENCE SOUTHEASTERLY 150.98 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 36 48' 36" TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 160.00 FEET; THENCE EASTERLY 57.55 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20 36' 35" TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY 66.46 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19 02' 19" TO A LINE PARALLEL WITH THE WESTERLY LINE OF THE 80.70 ACRE TRACT OF LAND DESCRIBED IN DEED TO R. J. NORTHAM, RECORDED IN BOOK 2091 PAGE 127 OF DEEDS, RECORDS OF SAID COUNTY, AND WHICH PASSES THROUGH STATION 15 OF SAID RANCHO, AS ESTABLISHED BY THE PROCEEDINGS IN CASE NO. 20065, LOS ANGELES COUNTY SUPERIOR COURT; THENCE ALONG SAID PARALLEL LINE, NORTH 28 45' 47" WEST 519.43 FEET TO SAID SOUTHEASTERLY LINE OF JEFFERSON BOULEVARD, 100.00 FEET WIDE THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH 61 14' 56" WEST 194.86 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL II:

PORTION PARCEL 3: (QUAD III) (APN 4211-15-2,6) AREA B

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

THAT PORTION OF THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF JEFFERSON BOULEVARD, WITH THE SOUTHWESTERLY LINE OF ROOSEVELT HIGHWAY; THENCE ALONG SAID SOUTHWESTERLY LINE, NORTH 28 34' 28" WEST, 1021.55 FEET TO ITS INTERSECTION WITH THE SOUTHEASTERLY LINE OF THE 380 FOOT STRIP OF LAND DESCRIBED IN THE DECREE OF CONDEMNATION TO LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, RECORDED IN BOOK 16382 PAGE 191, OFFICIAL RECORDS; THENCE ALONG SAID SOUTHEASTERLY LINE, SOUTH 56 02' 32" WEST, 409.90 FEET TO ITS INTERSECTION WITH THE EASTERLY LINE OF CULVER BOULEVARD, AS DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED IN BOOK 16371 PAGE 72, OF OFFICIAL RECORDS; THENCE SOUTHERLY AND SOUTHWESTERLY ALONG THE EASTERLY AND SOUTHEASTERLY LINES OF CULVER BOULEVARD, AS DESCRIBED IN SAID LAST MENTIONED DEED TO AND ALONG THE SOUTHEASTERLY LINE OF CULVER BOULEVARD, SHOWN AS AN UNNAMED ROAD ON THE MAP RECORDED IN BOOK 4049 PAGE 265 OF DEEDS, RECORDS OF SAID COUNTY, TO THE NORTHWESTERLY LINE OF SAID JEFFERSON BOULEVARD; THENCE NORTH 61 25' 32" EAST, ALONG THE NORTHWESTERLY LINE OF SAID JEFFERSON BOULEVARD OF THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESIGNATED AS PARCEL 1-44 IN LIS PENDENS RECORDED JANUARY 13, 1970 AS INSTRUMENT NO. 1564, IN BOOK M-3387 PAGE 860, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND DESIGNATED AS PARCEL 2B IN LIS PENDENS, RECORDED SEPTEMBER 3, 1965 AS INSTRUMENT NO. 5086 IN BOOK M-1969 PAGE 549, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING SOUTHWESTERLY OF THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN THE DEED TO UNION OIL COMPANY OF CALIFORNIA, RECORDED MAY 29, 1945 IN BOOK 22063 PAGE 4, OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION LYING EASTERLY AND NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF JEFFERSON BOULEVARD, 100 FOOT WIDE, DISTANT THEREON SOUTH 61 14' 57" WEST, 2,217.38 FEET FROM THE SOUTHERLY TERMINUS OF THE LINE SHOWN AS SOUTH 4 42' 40" WEST, 65.51 FEET OF THE LAND DESIGNATED AS PARCEL 2B IN LIS PENDENS RECORDED SEPTEMBER 3, 1965 AS INSTRUMENT NO. 5086, IN BOOK M-1969 PAGE 549, OF OFFICIAL RECORDS OF SAID COUNTY, SAID POINT ALSO BEING THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE NORTH AND HAVING A

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

RADIUS OF 957.00 FEET; THENCE WESTERLY 569.49 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 34 05' 44" TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 20.00 FEET; THENCE NORTHWESTERLY 32.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 91 53' 53" TO THE BEGINNING OF A REVERSE CURVE, CONCAVE TO THE WEST AND HAVING A RADIUS OF 850.00 FEET; THENCE NORTHERLY 259.52 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17 29' 37"; THENCE NORTH 10 15' 03" WEST 284.01 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE EAST AND HAVING A RADIUS OF 750.00 FEET; THENCE NORTHERLY 55.94 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 16' 25" TO THE NON-TANGENT SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN BOOK 16355 PAGE 127, OFFICIAL RECORDS, SAID LINE ALSO BEING THE WESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN BOOK 16382 PAGE 191, OF OFFICIAL RECORDS.

ALSO EXCEPT ALL THE OIL OR MINERALS RIGHTS UNDERLYING SAID LAND, AS RESERVED BY PACIFIC ELECTRIC RAILWAY COMPANY, IN DEED RECORDED APRIL 3, 1946 IN BOOK 22930 PAGE 272, OFFICIAL RECORDS, FROM THOSE PORTION OF THE RAMONA S. DE MACHADO 341.85095 ACRE ALLOTMENT IN THE RANCHO LA BALLONA, AS SHOWN ON MAP FILED IN CASE NO. 2722, DISTRICT COURT AND RECORDED IN BOOK 3 PAGE 204 ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

A. THOSE CERTAIN PARCELS OF LAND DESCRIBED AS "FIRST", "SECOND" AND "THIRD", IN THE DEED TO THE PACIFIC ELECTRIC RAILWAY COMPANY, RECORDED AUGUST 4, 1926 IN BOOK 4680 PAGE 108, OFFICIAL RECORDS.

B. THAT PORTION OF A STRIP OF LAND, 100 FEET IN WIDTH, DESIGNATED AS "CLAUSE 9" IN THE DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED JULY 14, 1909 IN BOOK 3805 PAGE 107 OF DEEDS, LYING SOUTHEASTERLY OF A LINE PARALLEL WITH AND DISTANT NORTHWESTERLY 33 FEET, MEASURED RADially FROM THE NORTHWESTERLY LINE OF THE STRIP OF LAND, 60 FEET IN WIDTH, DESIGNATED AS "CLAUSE 1" IN SAID DEED TO LOS ANGELES PACIFIC COMPANY.

C. THAT PORTION OF THE STRIP OF LAND, 60 FEET IN WIDTH, PARTLY WITHIN THE CITY OF LOS ANGELES DESIGNATED AS "CLAUSE 1" IN SAID DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED JULY 14, 1909 IN BOOK 3805 PAGE 107 OF DEEDS, BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF CULVER BOULEVARD (FORMERLY MESMER AVENUE), AS DESCRIBED IN DEED TO THE CITY OF LOS ANGELES, RECORDED OCTOBER 15, 1927 IN BOOK 7709 PAGE 148, OFFICIAL RECORDS AND BOUNDED NORTHEASTERLY BY THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED AS PARCEL 7 IN DECLARATION OF TAKING.

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ALSO EXCEPT THEREFROM THE RIGHT TO ALL OIL, GAS AND OTHER HYDROCARBONS IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO USE PERPETUALLY THE SUBSURFACE OIL AND/OR GAS FORMATIONS FOR INSPECTING, STORING AND WITHDRAWING NATURAL GAS THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME, BUT NOT EXCLUDING OR RESERVING, HOWEVER, THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND OR ANY PART OR PORTIONS THEREOF, AS RESERVED BY THE UNITED STATES OF AMERICA AND ITS ASSIGNS BY DECREE ENTERED FEBRUARY 5, 1952, IN UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION, CASE NO. 2454-B CIVIL, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 13, 1952, AS INSTRUMENT NO. 3526, IN BOOK 38244, PAGE 354, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, FROM THE PORTION OF SAID PARCEL DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF PLAYA STREET, AS VACATED BY ORDER OF THE BOARD OF SUPERVISORS ON APRIL 10, 1905, WITH THE CENTER LINE OF THE 60 FOOT STRIP OF LAND DESCRIBED IN DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED IN BOOK 3805 PAGE 107 OF DEEDS; THENCE ALONG THE CENTER LINE OF PLAYA STREET, AS VACATED SOUTH 61 DEGREES 20 MINUTES WEST, 1890 FEET; THENCE SOUTH 28 DEGREES 40 MINUTES EAST, 388 FEET; THENCE NORTH 61 DEGREES 20 MINUTES EAST 1890 FEET; THENCE SOUTH 28 DEGREES 40 MINUTES EAST 388 FEET; THENCE NORTH 61 DEGREES 20 MINUTES EAST, 990 FEET; THENCE SOUTH 28 DEGREES 40 MINUTES EAST, 635 FEET; THENCE SOUTH 61 DEGREES 20 MINUTES WEST, 335 FEET; THENCE SOUTH 28 DEGREES 40 MINUTES EAST 475 FEET, MORE OR LESS, TO THE SOUTH LINE OF RANCHO LA BALLONA; THENCE ALONG SAID RANCHO LINE, NORTH 82 DEGREES EAST, 90 FEET, MORE OR LESS, TO A POINT ESTABLISHED AS STATION 19 OF RANCHO LA BALLONA BY PROCEEDINGS HAD IN LOS ANGELES COUNTY SUPERIOR COURT, CASE NO. 20065; THENCE NORTH 52 DEGREES EAST, 990 FEET TO STATION 18; THENCE NORTH 82 DEGREES 30 MINUTES EAST, 462 FEET TO STATION 17; THENCE NORTH 60 DEGREES 45 MINUTES EAST, 1386 FEET TO STATION 16; THENCE NORTH 27 DEGREES 45 MINUTES EAST 150 FEET, THENCE NORTH 28 DEGREES 40 MINUTES WEST, 1080 FEET; THENCE SOUTH 61 DEGREES 20 MINUTES WEST 235 FEET; THENCE NORTH 28 DEGREES 40 MINUTES WEST 155 FEET; THENCE SOUTH 61 DEGREES 20 MINUTES WEST, 430 FEET; THENCE NORTH 28 DEGREES 40 MINUTES WEST, 163.5 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF PLAYA STREET, 33 FEET WIDE, (NOW JEFFERSON BOULEVARD); THENCE SOUTH 61 DEGREES 20 MINUTES WEST, ALONG SAID SOUTHEASTERLY LINE OF PLAYA STREET TO THE NORTHEASTERLY LINE OF THAT PORTION OF SAID PLAYA STREET, VACATED BY SAID ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY; THENCE NORTHEASTERLY ALONG THE NORTHERLY LINES OF SAID VACATED PORTION OF PLAYA STREET TO THE CENTER LINE OF SAID PLAYA STREET; THENCE SOUTHWESTERLY ALONG SAID CENTER LINE OF PLAYA STREET TO THE POINT OF BEGINNING.

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ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE LINES OF PARCEL 7, AS DESCRIBED IN THE DECLARATION OF TAKING, RECORDED NOVEMBER 4, 1942 IN BOOK 19608 PAGE 346, OFFICIAL RECORDS, ALL THE MINERAL RIGHTS AND ESTATE IN SAID LAND; TOGETHER WITH THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OIL AND GAS FORMATIONS FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME, EXCLUDING HOWEVER, THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND FOR ANY OF SAID PURPOSES, AS EXCEPTED AND RESERVED TO THE UNITED STATES OF AMERICA, IN DECREE REVERTING TITLE ENTERED FEBRUARY 15, 1949 IN ACTION NO. 2454-B, CIVIL, UNITED STATES DISTRICT COURT, CENTRAL DIVISION, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 25, 1949 IN BOOK 29672, PAGE 52, OFFICIAL RECORDS.

PARCEL III:

PORTION PARCEL 4: (QUAD III) (4211-17-3)

THAT PORTION OF SAID RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF PLAYA STREET, WITH THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF DEL REY BEACH, AS SHOWN ON MAP OF DEL REY BEACH, RECORDED IN BOOK 6 PAGE 186 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID EASTERLY LINE AND THE PROLONGATION THEREOF; NORTH 29 DEGREES 07 MINUTES 02 SECONDS WEST, 2843.71 FEET TO THE MOST NORTHERLY CORNER OF BLOCK 13 OF SAID DEL REY BEACH; THENCE ALONG THE LINE ESTABLISHED BY DEED BETWEEN G. W. COLTON AND A. R. FRASER, ET AL., RECORDED IN BOOK 2108 PAGE 13 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, NORTH 62 DEGREES 46 MINUTES 07 SECONDS EAST, 63.43 FEET TO THE SOUTHEAST CORNER OF THE TRACT OF LAND DESCRIBED IN DEED TO A. R. FRASER, ET AL., RECORDED IN BOOK 2072 PAGE 134 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTHERLY LINE OF THE ADDISON SANFORD 132.51 ACRE ALLOTMENT IN SAID RANCHO LA BALLONA AND ALONG THE NORTHWESTERLY LINE OF THE 42.24 ACRE TRACT OF LAND ALLOTTED TO GREGORIA TALAMANTES BY THE FINAL DECREE OF PARTITION OF SAID RANCHO LA BALLONA, HAD IN CASE NO. 965 OF THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT, OF THE STATE OF CALIFORNIA, NORTH 62 DEGREES 08 MINUTES 00 SECONDS EAST, 2238.24 FEET TO THE SOUTHWESTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED BETWEEN LA BALLONA LAND AND DEVELOPMENT COMPANY AND JOSEPH PIERSON RECORDED IN BOOK 19795 PAGE 20, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE, SOUTH 27 DEGREES 52 MINUTES

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00 SECONDS EAST, 700 FEET; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LAST MENTIONED PARCEL OF LAND ALONG THE FOLLOWING COURSES AND DISTANCES; NORTH 62 DEGREES 08 MINUTES 00 SECONDS EAST 581.37 FEET, NORTH 27 DEGREES 52 MINUTES 00 SECONDS WEST, 50 FEET, NORTH 62 DEGREES 08 MINUTES 00 SECONDS EAST, 150 FEET, SOUTH 27 DEGREES 52 MINUTES 00 SECONDS EAST, 50 FEET, NORTH 62 DEGREES 08 MINUTES 00 SECONDS EAST 275 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED BETWEEN DEL REY COMPANY AND JOSEPH PIERSON, RECORDED IN BOOK 17715 PAGE 91, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT SOUTH 27 DEGREES 52 MINUTES 00 SECONDS EAST, 700 FEET FROM THE NORTHWEST CORNER OF SAID LAST MENTIONED PARCEL OF LAND; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE, SOUTH 27 DEGREES 52 MINUTES 00 SECONDS EAST, 300 FEET; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LAST MENTIONED PARCEL OF LAND, NORTH 62 DEGREES 08 MINUTES 00 SECONDS EAST, 323.57 FEET; THENCE PARALLEL WITH SAID EASTERLY LINE OF DEL REY BEACH, SOUTH 29 DEGREES 07 MINUTES 02 SECONDS EAST, 874.91 FEET TO THE CENTER LINE OF THE 380 FOOT STRIP OF LAND DESCRIBED IN THE DEED BETWEEN DEL REY COMPANY AND LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, RECORDED IN BOOK 16355 PAGE 127, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID CENTER LINE, NORTH 55 DEGREES 56 MINUTES 35 SECONDS EAST, 885.31 FEET; THENCE PARALLEL WITH SAID EASTERLY LINE OF DEL REY BEACH, SOUTH 29 DEGREES 07 MINUTES 02 SECONDS EAST, 984.93 FEET TO THE NORTHWESTERLY LINE OF JEFFERSON BOULEVARD, FORMERLY PLAYA STREET; THENCE ALONG JEFFERSON BOULEVARD (AND BEING THE SOUTHERLY LINE OF THE 26.30833 ACRE TRACT OF LAND ALLOTTED TO JOSE DE LA LUZ MACHADO BY SAID FINAL DECREE OF PARTITION) SOUTH 61 DEGREES 20 MINUTES 38 SECONDS WEST, TO THE SOUTHEASTERLY LINE OF THE 60 FOOT STRIP OF LAND DESCRIBED IN THE DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED IN BOOK 3805 PAGE 107 OF DEEDS, RECORDS OF SAID COUNTY; THENCE SOUTHWESTERLY ALONG SAID LAST MENTIONED SOUTHEASTERLY LINE TO THE CENTER LINE OF PLAYA STREET, AS VACATED BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY ON APRIL 10, 1905; THENCE ALONG SAID CENTER LINE OF PLAYA STREET, AS VACATED, SOUTH 61 DEGREES 20 MINUTES 00 SECONDS WEST, TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND LYING NORTHWESTERLY OF THE NORTHWESTERLY LINE OF SAID 380 FOOT STRIP OF LAND, AS DESCRIBED IN SAID DEED RECORDED IN BOOK 16355 PAGE 127, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND, 15 FEET WIDE, AS DESCRIBED IN BOOK 4821 PAGE 11, OFFICIAL RECORDS OF SAID COUNTY.

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ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND WITHIN THE STRIP OF LAND CONVEYED TO THE COUNTY OF LOS ANGELES, BY DEED RECORDED IN BOOK 4049 PAGE 265 OF DEEDS.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID LAND, IF ANY, INCLUDED WITHIN A PARCEL OF LAND DESIGNATED AS PARCEL 1-44 IN LIS PENDENS RECORDED JANUARY 13, 1970 AS INSTRUMENT NO. 1564, IN BOOK M-3387 PAGE 860, OFFICIAL RECORDS.

ALSO EXCEPT THOSE PORTIONS OF SAID LAND DESIGNATED AS PARCELS 9-18 AND 9-19 IN FINAL ORDER OF CONDEMNATION RECORDED APRIL 22, 1977 AS INSTRUMENT NO. 77-413488, OFFICIAL RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION LYING EASTERLY AND NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF JEFFERSON BOULEVARD, 100 FOOT WIDE, DISTANT THEREON SOUTH 61 14' 57" WEST 2,217.38 FEET FROM THE SOUTHERLY TERMINUS OF THE LINE SHOWN AS SOUTH 4 42' 40" WEST, 65.51 FEET OF THE LAND DESIGNATED AS PARCEL 2B IN LIS PENDENS RECORDED SEPTEMBER 3, 1965 AS INSTRUMENT NO. 5086, IN BOOK M-1969 PAGE 549, OF OFFICIAL RECORDS OF SAID COUNTY, SAID POINT ALSO BEING THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE NORTH AND HAVING A RADIUS OF 957.00 FEET; THENCE WESTERLY 569.49 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 34 05' 44" TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 20.00 FEET; THENCE NORTHWESTERLY 32.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 91 53' 53" TO THE BEGINNING OF A REVERSE CURVE, CONCAVE TO THE WEST AND HAVING A RADIUS OF 850.00 FEET; THENCE NORTHERLY 259.52 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17 29' 37"; THENCE NORTH 10 15' 03" WEST 284.01 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE EAST AND HAVING A RADIUS OF 750.00 FEET; THENCE NORTHERLY 55.94 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04 16' 25" TO THE NON-TANGENT SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN BOOK 16355 PAGE 127, OF OFFICIAL RECORDS, SAID LINE ALSO BEING THE WESTERLY PROLONGATION OF SAID SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN BOOK 16382 PAGE 191, OF OFFICIAL RECORDS.

ALSO EXCEPTING FROM THE ABOVE DESCRIBED LAND ALL THE MINERAL RIGHTS TOGETHER WITH THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OIL AND GAS FORMATIONS FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME, EXCLUDING HOWEVER, THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND FOR ANY OF SAID PURPOSES, AS RESERVED BY THE UNITED

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STATES OF AMERICA, BY DECREE ENTERED FEBRUARY 15, 1948 IN THE UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION, CASE NO. 2454-B CIVIL, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 25, 1949 AS INSTRUMENT NO. 342, IN BOOK 29672 PAGE 52, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, FROM THAT PORTION OF SAID PARCEL DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF PLAYA STREET, AS VACATED BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY ON APRIL 10, 1905, WITH THE CENTER LINE OF THE 60 FOOT STRIP OF LAND DESCRIBED IN THE DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED IN BOOK 3805 PAGE 107 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG CENTER LINE OF PLAYA STREET, AS VACATED, SOUTH 51 DEGREES 20 MINUTES WEST, 1890 FEET; THENCE NORTH 28 DEGREES 40 MINUTES WEST, 280 FEET; THENCE NORTH 61 DEGREES 20 MINUTES, EAST, 2290 FEET; THENCE SOUTH 28 DEGREES 40 MINUTES EAST, 280 FEET, MORE OR LESS, TO THE CENTER LINE OF JEFFERSON BOULEVARD, (FORMERLY PLAYA STREET); THENCE SOUTH 61 DEGREES 20 MINUTES WEST, ALONG SAID CENTER LINE OF JEFFERSON BOULEVARD, 400 FEET, TO THE POINT OF BEGINNING.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE LINES OF PARCEL 7, AS DESCRIBED IN THE DECLARATION OF TAKING, RECORDED NOVEMBER 4, 1942 IN BOOK 19608 PAGE 346, OFFICIAL RECORDS, ALL THE MINERAL RIGHTS AND ESTATE IN SAID LAND; TOGETHER WITH THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OIL AND GAS FORMATIONS FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME, EXCLUDING HOWEVER, THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND FOR ANY OF SAID PURPOSES, AS EXCEPTED AND RESERVED TO THE UNITED STATES OF AMERICA, IN DECREE REVESTING TITLE ENTERED FEBRUARY 15, 1949 IN ACTION NO. 2454-B, CIVIL, UNITED STATES DISTRICT COURT, CENTRAL DIVISION, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 25, 1949 IN BOOK 29672 PAGE 52, OFFICIAL RECORDS.

PARCEL IV:

PARCEL 6: (QUAD III) (4211-16-7 & 8 AND 4211-15-8 & 9)

THOSE PORTIONS OF RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA INCLUDED WITHIN THE LINES OF LA BALLONA FLOOD CONTROL CHANNEL 380 FEET WIDE, AS CONDEMNED BY LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, BY FINAL DECREE OF CONDEMNATION, RECORDED AS INSTRUMENT NO. 984 ON FEBRUARY 10, 1939 IN BOOK 16382 PAGE 191, OFFICIAL RECORDS, LYING EASTERLY OF LAND DESCRIBED IN DEED TO UNION OIL COMPANY, RECORDED AS INSTRUMENT NO. 5 ON MAY 29, 1945 IN BOOK 22063 PAGE 4 OF

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OFFICIAL RECORDS, AND WESTERLY OF THE WESTERLY LINE OF THE LAND DESCRIBED IN THE DEED TO STATE OF CALIFORNIA, (KNOWN AS LINCOLN BOULEVARD), AND RECORDED IN BOOK 11065 PAGE 312, OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION OF RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, AS DESCRIBED IN THE DEED FROM DEL REY COMPANY, A CORPORATION, TO PACIFIC ELECTRIC RAILWAY COMPANY, A CORPORATION, AND RECORDED JANUARY 19, 1939 IN BOOK 16319 PAGE 244, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS, ORES, GAS, OIL AND HYDROCARBON SUBSTANCES LYING UNDER OR CONTAINED THEREIN, TOGETHER WITH THE RIGHT TO EXPLORE FOR, DRILL FOR, MINE AND REMOVE ANY OF SAID MINERALS, ORES, OIL, GAS, OR OTHER HYDROCARBON SUBSTANCES WITH RIGHT OF WAY NECESSARY AND CONVENIENT FOR PURPOSES OF EXPLORING FOR, MINING, OR REMOVING ANY OF SAID MINERALS, ORES, OIL, GAS OR OTHER HYDROCARBON SUBSTANCES AS CONVEYED BY VARIOUS DEEDS OF RECORD, AMONG THEM BEING ONE RECORDED IN BOOK 16278 PAGE 385 OFFICIAL RECORDS.

PARCEL V:

PARCEL 7: (QUAD III) (4114-1-16, 17, 18, 19, 20) AREA B

LOTS 11, 12, 15, 16 AND 17 IN BLOCK 11 OF TRACT NO. 9809, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 145 PAGES 91 TO 96 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL THE MINERAL RIGHTS AND ESTATE IN SAID LAND; TOGETHER WITH THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OIL AND GAS FORMATIONS FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME, EXCLUDING HOWEVER, THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND FOR ANY OF SAID PURPOSES, AS EXCEPTED AND RESERVED TO THE UNITED STATES OF AMERICA, IN DECREE REVESTING TITLE ENTERED FEBRUARY 15, 1949 IN ACTION NO. 2454-B, CIVIL, UNITED STATES DISTRICT COURT, CENTRAL DIVISION, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 25, 1949 IN BOOK 29672 PAGE 52, OFFICIAL RECORDS.

PARCEL VI:

PARCEL 8: (QUAD III) (4114-2-1, 2, 3, 4, 5, 6, 7, 8) AREA B

LOTS 1 TO 8 INCLUSIVE OF BLOCK 10 OF TRACT NO. 9167, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 172 PAGES 46 ET

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SEQ. OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL THE MINERAL RIGHTS AND ESTATE IN SAID LAND; TOGETHER WITH THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OIL AND GAS FORMATIONS FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME, EXCLUDING HOWEVER, THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND FOR ANY OF SAID PURPOSES, AS EXCEPTED AND RESERVED TO THE UNITED STATES OF AMERICA, IN DECREE REVESTING TITLE ENTERED FEBRUARY 15, 1949 IN ACTION NO. 2454-B, CIVIL, UNITED STATES DISTRICT COURT, CENTRAL DIVISION, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 25, 1949 IN BOOK 29672 PAGE 52, OFFICIAL RECORDS.

PARCEL VII:

PARCEL 9: (QUAD III) (4114-2-9, 10, 11, 12, 13) AREA B

LOTS 9 TO 13 INCLUSIVE IN BLOCK 10 OF TRACT NO. 9167, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 172 PAGES 46 TO 49 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ONE-HALF OF ALL RIGHTS, TITLE AND INTEREST IN AND TO ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, BUT WITHOUT ANY RIGHT OF ENTRY THEREON, AS RESERVED BY ELLEN MINDRUP GENTRY IN DEED RECORDED NOVEMBER 15, 1946 IN BOOK 23926 PAGE 182, OFFICIAL RECORDS.

ALSO EXCEPTING THE RESERVATION AS RECITED IN THE DEED FROM THE BEVERLY HILLS NATIONAL BANK AND TRUST COMPANY, A CORPORATION, RECORDED NOVEMBER 28, 1949 IN BOOK 31573 PAGE 374, OFFICIAL RECORDS, AS FOLLOWS:

"EXCEPTING AND RESERVING THEREFROM ONE-HALF OF ALL RIGHT, TITLE AND INTEREST IN AND TO ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, BUT WITHOUT ANY RIGHT OF ENTRY THEREON."

PARCEL VIII:

PORTION PARCEL 11: (QUAD IV) AREA D

THAT PORTION OF RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, INCLUDED WITHIN THE LINES OF LA BALLONA FLOOD CONTROL CHANNEL 380 FEET WIDE, AS DESCRIBED IN FINAL DECREE OF CONDEMNATION, RECORDED FEBRUARY 10, 1939 IN BOOK 16382 PAGE 191, OF OFFICIAL RECORDS, WHICH LIES BETWEEN THE SOUTHWESTERLY LINE OF INGLEWOOD DIVISION OF LOS ANGELES

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PACIFIC COMPANY (NOW PACIFIC ELECTRIC RAILWAY COMPANY) RIGHT OF WAY, AS DESCRIBED IN DEED TO SAID COMPANY, RECORDED IN BOOK 4581 PAGE 147 OF DEEDS AND THE NORTHEASTERLY LINE OF ROOSEVELT HIGHWAY, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED IN BOOK 11065 PAGE 312, OF OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION WITHIN TRACT NO. 49104-03 IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 1240 PAGE 26 TO 32 INCLUSIVE OF MAPS, IN THE SAID OFFICE OF THE COUNTY.

THIS LEGAL DESCRIPTION IS NOT INTENDED FOR USE IN THE DIVISION AND/OR CONVEYANCE OF LAND VIOLATION OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA.

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SCHEDULE B

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES) WHICH ARISE BY REASON OF:

PART 1

~~1. TAXES OR ASSESSMENTS WHICH ARE NOT SHOWN AS EXISTING LIENS BY THE RECORDS OF ANY TAXING AUTHORITY THAT LEVIES TAXES OR ASSESSMENTS ON REAL PROPERTY OR BY THE PUBLIC RECORDS.~~

~~PROCEEDINGS BY A PUBLIC AGENCY WHICH MAY RESULT IN TAXES OR ASSESSMENTS, OR NOTICES OF SUCH PROCEEDINGS, WHETHER OR NOT SHOWN BY THE RECORDS OF SUCH AGENCY OR BY THE PUBLIC RECORDS.~~

~~2. ANY FACTS, RIGHTS, INTERESTS OR CLAIMS WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS BUT WHICH COULD BE ASCERTAINED BY AN INSPECTION OF THE LAND OR WHICH MAY BE ASSERTED BY PERSONS IN POSSESSION THEREOF.~~

3. EASEMENTS, LIENS OR ENCUMBRANCES, OR CLAIMS THEREOF, WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

4. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA, ENCROACHMENTS, OR ANY OTHER FACTS WHICH A CORRECT SURVEY WOULD DISCLOSE, AND WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

5. (A) UNPATENTED MINING CLAIMS; (B) RESERVATIONS OR EXCEPTIONS IN PATENTS OR IN ACTS AUTHORIZING THE ISSUANCE THEREOF; (C) WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT THE MATTERS EXCEPTED UNDER (A) (B) OR (C) ARE SHOWN BY THE PUBLIC RECORDS.

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SCHEDULE B

PART II

1. INTENTIONALLY DELETED.

2. INTENTIONALLY DELETED.

3. INTENTIONALLY DELETED.

4. COVENANTS, CONDITIONS, AND RESTRICTIONS (RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAR STATUS OR NATIONAL ORIGIN ARE DELETED.) AS SET FORTH IN THE DOCUMENT DESCRIBED

EXECUTED BY

RECORDED

INSTRUMENT/FILE NO

TITLE GUARANTEE & TRUST CO., A CORP.

OCTOBER 22, 1926

708, IN BOOK 6070 PAGE 310 OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCEL 2 OF QUAD III

5. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO

PURPOSE

RECORDED

AFFECTS

CITY OF LOS ANGELES

SANITARY SEWER

IN BOOK 7428, PAGE 140, OFFICIAL RECORDS

A STRIP OF LAND HAVING A UNIFORM WIDTH OF 10 FEET ACROSS A PORTION OF PARCEL 2 OF QUAD III

MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

6. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO

PURPOSE

RECORDED

AFFECTS

CITY OF LOS ANGELES

POLES, TOWER AND CONDUITS

IN BOOK 7765, PAGE 316, OF OFFICIAL RECORDS

THAT PORTION OF PARCEL 2 OF QUAD III BEING A 20 FOOT STRIP OF LAND, AS MORE PARTICULARLY

DESCRIBED IN SAID DOCUMENT

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

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7. INTENTIONALLY DELETED.

8. INTENTIONALLY DELETED.

9. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES CONDEMNED BY FINAL DECREE

IN FAVOR OF	COUNTY OF LOS ANGELES
FOR	SANITARY SEWER AND STORM DRAIN
CASE NO.	260321 SUPERIOR COURT
RECORDED	IN BOOK 10418, PAGE 126, OF OFFICIAL RECORDS

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT.

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

10. INTENTIONALLY DELETED.

11. ANY RIGHT, AFFECTING THOSE PORTIONS WITHIN THE STRIP OF LAND 90 FEET WIDE, OF PACIFIC LIGHTING GAS SUPPLY COMPANY (SUCCESSOR TO THE INTEREST OF INDUSTRIAL FUEL SUPPLY COMPANY) IN AND TO LAND, AS DISCLOSED BY INSTRUMENTS OF RECORD, AMONG THEM BEING AN INSTRUMENT RECORDED APRIL 10, 1936 IN BOOK 14042, PAGE 179, OFFICIAL RECORDS.

12. THE FREE AND UNOBSTRUCTED RIGHT FROM TIME TO TIME TO EXPLORE FOR, MINE FOR, DRILL FOR, PRODUCE, TREAT, TRANSPORT, STORE AND REMOVE MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND INCIDENTAL PURPOSES AS MORE FULLY DESCRIBED IN AND AS RESERVED BY UNION OIL COMPANY OF CALIFORNIA, A CORPORATION, IN THE DEED RECORDED MAY 29, 1945 AS INSTRUMENT NO. 6, IN BOOK 21983, PAGE 305, OF OFFICIAL RECORDS.

SAID RIGHTS, INsofar AS THE AFFECT PORTIONS OF SAID LAND, WERE MODIFIED BY DEEDS FROM UNION OIL COMPANY OF CALIFORNIA, RECORDED FEBRUARY 5, 1959 AS INSTRUMENT NO. 4213 IN BOOK D-356, PAGE 958, OF OFFICIAL RECORDS, AND RECORDED AUGUST 21, 1958 AS INSTRUMENT NO. 4834, IN BOOK D-579, PAGE 972, OFFICIAL RECORDS, AND BY AGREEMENT RECORDED MARCH 15, 1961 AS INSTRUMENT NO. 3819, IN BOOK D-1156, PAGE 518, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCEL 2 OF QUAD III

13. THE EXCLUSIVE RIGHT, AFFECTING THAT PORTION OF SAID LAND

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INCLUDED WITHIN THE LAND DESCRIBED IN DEED NEXT REFERRED TO, TO USE THE SUBSURFACE OF SAID LAND AND ALL ZONES CONTAINED THEREIN, REGARDLESS OF DEPTH, FOR THE INJECTION OF GAS INTO, THE STORAGE OF GAS IN, AND/OR THE WITHDRAWAL OF GAS FROM SAID PROPERTY AND INCIDENTAL PURPOSES MORE FULLY DESCRIBED IN AND AS RESERVED BY SOUTHERN CALIFORNIA GAS COMPANY, IN DEED RECORDED NOVEMBER 21, 1946 AS INSTRUMENT NO. 1046, IN BOOK 23939, PAGE 338, OFFICIAL RECORDS.

SAID RIGHTS, INsofar AND THEY AFFECT A PORTION OF SAID LAND, WERE MODIFIED BY DEED FROM SOUTHERN CALIFORNIA GAS COMPANY, RECORDED FEBRUARY 6, 1959 AS INSTRUMENT NO. 4278, IN BOOK D-358, PAGE 367, OFFICIAL RECORDS, AS MODIFIED BY AN INSTRUMENT RECORDED AUGUST 14, 1959 IN BOOK M-339, PAGE 989, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

14. AN AGREEMENT AFFECTING PARCELS 1, 3 AND 5 OF QUAD III, DATED AUGUST 15, 1963, WHEREBY HUGHES TOOL COMPANY, A CORPORATION, CONVEYS TO SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, THE EXCLUSIVE RIGHT TO USE SUBSURFACE MINERAL, OIL AND/OR GAS ZONES FOR INJECTING, STORING AND WITHDRAWING NATURAL GAS (WHETHER PROVIDED FROM SUCH OR OTHER PROPERTY) THEREIN AND THEREFROM AND FOR REPRESSURING THE SAME; BUT, WITH NO RIGHT TO USE THE SURFACE OR TO CARRY ON SUCH OPERATION EXCEPT BETWEEN A DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE THEREOF, WHICH AGREEMENT ALSO RECITES THAT

HUGHES TOOL COMPANY HEREBY COVENANTS AND AGREES TO PROHIBIT EXPLORATION FOR MINERAL, OIL, GAS OR OTHER HYDROCARBONS BETWEEN THE DEPTH OF 500 FEET TO 7000 FEET FROM THE SURFACE, RECORDED AUGUST 30, 1963 AS INSTRUMENT NO. 7055, IN BOOK M1338, PAGE 287, OFFICIAL RECORDS.

15. INTENTIONALLY DELETED.

16. INTENTIONALLY DELETED.

17. INTENTIONALLY DELETED.

18. A LEASE WITH CERTAIN TERMS, COVENANTS AND PROVISIONS SET FORTH THEREIN

TYPE OF LEASE	OIL AND GAS
DATED	FEBRUARY 17, 1930
LESSOR	CHARLES R. WILSON, A SINGLE MAN
LESSEE	UNION OIL COMPANY OF CALIFORNIA, A CORPORATION

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TERM	TWENTY YEARS FROM THE DATE THEREOF AND SO LONG THEREAFTER AS OIL, GAS OR OTHER HYDROCARBON SUBSTANCES IN QUANTITIES DEEMED PAYING BY LESSEE
RECORDED	FEBRUARY 13, 1930 IN BOOK 9673, PAGE 357, OF OFFICIAL RECORDS
AFFECTS	PARCEL 2 OF QUAD III

AND AS MODIFIED BY AN INSTRUMENT

EXECUTED BY: TITLE GUARANTEE & TRUST CO., A CORPORATION AND
SAID UNION OIL COMPANY OF CALIFORNIA, A CORPORATION RECORDED:
SEPTEMBER 16, 1942 IN BOOK 19523, PAGE 302, OF OFFICIAL RECORDS

THE INTEREST OF THE LESSEE UNDER SAID LEASE WAS TERMINATED AS TO
THAT PORTION OF THE LEASED LAND INCLUDED WITHIN THE LAND
DESCRIBED AS PORTION 6 IN DECLARATION OF TAKING BY THE UNITED
STATES OF AMERICA, RECORDED NOVEMBER 4, 1942 IN BOOK 19608, PAGE
346, OFFICIAL RECORDS, HEREINAFTER REFERRED TO BY SAID
DECLARATION OF TAKING.

AN AGREEMENT, DATED JANUARY 9, 1931, BY AND BETWEEN CHARLES R.
WILSON AND UNION OIL COMPANY OF CALIFORNIA, A CORPORATION,
RELATIVE TO THE PRODUCTION OF OIL, GAS AND OTHER HYDROCARBON
SUBSTANCES FROM THE LAND HEREIN DESCRIBED AND LAND ADJOINING
SAID LAND AND THE PAYMENT OF ROYALTIES THEREFOR, RECORDED
FEBRUARY 10, 1931 IN BOOK 10552, PAGE 308, OFFICIAL RECORDS.

AN ASSIGNMENT OF LESSEE'S INTEREST IN SAID LEASE WAS EXECUTED BY TO RECORDED	UNION OIL COMPANY OF CALIFORNIA SOUTHERN CALIFORNIA GAS COMPANY DECEMBER 30, 1959 IN BOOK M 418, PAGE 501, AS INSTRUMENT NO. 2971, OFFICIAL RECORDS
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ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES,
PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND
ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE
PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN
CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963,
RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280, OF OFFICIAL
RECORDS.

THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE
AND OTHER MATTERS AFFECTING THE INTEREST OF THE LESSEE ARE NOT
SHOWN HEREIN.

19. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS
INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

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GRANTED TO
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SOUTHERN CALIFORNIA EDISON COMPANY, LTD.
POLE LINES
AUGUST 22, 1945 IN BOOK 23585, PAGE 307,
OF OFFICIAL RECORDS

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY
DESCRIBED IN SAID DOCUMENT.

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH,
1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND
ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

20. EASEMENTS, RIGHTS AND RIGHTS OF WAY, RESERVED TO UNITED
STATES, IN DECREE ENTERED FEBRUARY 5, 1952, IN ACTION NO. 2454-B
CIVIL, UNITED STATES OF AMERICA DISTRICT COURT, SOUTHERN
DISTRICT OF CALIFORNIA, CENTRAL DIVISION, CERTIFIED COPY OF
WHICH WAS RECORDED FEBRUARY 13, 1952 AS INSTRUMENT NO. 3526, IN
BOOK 38244, PAGE 354, OFFICIAL RECORDS, WHICH EASEMENTS, RIGHTS
AND RIGHTS OF WAY ARE MORE PARTICULARLY SET FORTH IN SAID
DOCUMENT.

ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES,
PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND
ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE
PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN
CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963,
RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280, OF OFFICIAL
RECORDS.

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH,
1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND
ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

21. RESERVATION AND EXCEPTION CONTAINED IN DEED FROM
RECONSTRUCTION FINANCE CORPORATION AND UNITED STATES OF AMERICA,
BOTH ACTING BY AND THROUGH GENERAL SERVICES ADMINISTRATOR TO
SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, DATED DECEMBER
1, 1953, RECORDED OCTOBER 15, 1954 AS INSTRUMENT NO. 580, IN
BOOK 45847, PAGE 89, OFFICIAL RECORDS, THE LOCATION AND TERMS OF
WHICH ARE MORE PARTICULARLY DESCRIBED THEREIN.

22. A LEASE WITH CERTAIN TERMS, COVENANTS AND PROVISIONS SET
FORTH THEREIN

TYPE OF LEASE
DATED
LESSOR
LESSEE

OIL AND GAS
DECEMBER 5, 1934
W. F. NICHOLS, SINGLE
W. J. WILLIAMS

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TERM
RECORDED

AS THEREIN PROVIDED
APRIL 5, 1935 IN BOOK 13403, PAGE 50,
OF OFFICIAL RECORDS
THE FOLLOWING:

AFFECTS

PARCEL 1: LOT 22 IN BLOCK 27 OF TOWN OF PORT BALLONA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 47 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2: THAT PORTION OF 4TH AVENUE, AS SHOWN ON THE MAP OF TOWN OF PORT BALLONA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 47, ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH LIES BETWEEN THE NORTHEASTERLY PROLONGATION OF THE NORTHWESTERLY AND SOUTHEASTERLY LINES OF LOT 22 IN BLOCK 27 OF SAID TRACT.

ALL OF SAID 4TH AVENUE ABOVE DESCRIBED WAS VACATED BY ORDER ADOPTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES ON NOVEMBER 13, 1956, A CERTIFIED COPY THEREOF BEING RECORDED NOVEMBER 28, 1956 AS INSTRUMENT NO. 2572, IN BOOK 52972, PAGE 36, OFFICIAL RECORDS, EXCEPT THAT PORTION THEREOF LYING NORTHWESTERLY OF A CURVE CONCENTRIC WITH AND 25 FEET SOUTHEASTERLY, MEASURED RADially FROM THAT CERTAIN CURVE, HAVING A RADIUS OF 3844.83 FEET IN THE SOUTHEASTERLY BOUNDARY OF CULVER BOULEVARD, 50 FEET WIDE, AS SHOWN ON THE MAP FILED IN BOOK 37, PAGE 31 OF RECORDS OF SURVEYS OF SAID COUNTY.

THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE AND OTHER MATTERS AFFECTING THE INTEREST OF THE LESSEE ARE NOT SHOWN HEREIN.

23. ALL EASEMENTS AND RIGHTS AND INCIDENTAL PURPOSES OVER PORTIONS OF PARCEL 2 OF QUAD III AS SET FORTH IN SECTION 959.1 OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, AS CONTAINED IN THE ORDER ADOPTED NOVEMBER 13, 1956 BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, A CERTIFIED COPY THEREOF BEING RECORDED NOVEMBER 28, 1956 IN BOOK 52972, PAGE 36, OFFICIAL RECORDS.

24. AN EASEMENT OVER SAID LAND FOR A SINGLE LINE OF POLES, WITH CROSS-ARMS AND WIRES, FOR PRIVATE TELEPHONE PURPOSES, TOGETHER WITH ALL RIGHTS OF WAY COVERING THE CONSTRUCTION AND MAINTENANCE OF SUCH FACILITIES, AS CONVEYED BY UNRECORDED SURFACE LEASE FROM DEL REY COMPANY TO P. M. PIKE, DATED JUNE 1, 1933 AND BY MESNE ASSIGNMENTS TRANSFERRED AND CONVEYED TO UNION OIL COMPANY OF CALIFORNIA, BY ASSIGNMENT OF LEASE FROM P. M. PIKE INVESTMENT

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COMPANY, DATED JANUARY 27, 1943, AS PROVIDED IN DECREE ENTERED JULY 12, 1946 IN ACTION NO. 2454, CIVIL, UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION.

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

25. THE EFFECT OF AN AGREEMENT, DATED JANUARY 18, 1952, EXECUTED BY AND BETWEEN SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION THEREIN CALLED "THE GAS CO." AND HUGHES TOOL COMPANY, A DELAWARE CORPORATION, THEREIN CALLED "HUGHES", RELATING TO THE UNITED STATES OF AMERICA, AS SET FORTH IN STIPULATION REFERRED TO THEREIN, UPON THE CONDITIONS, COVENANTS AND PROVISIONS CONTAINED IN SAID AGREEMENT, RECORDED JANUARY 18, 1952 AS INSTRUMENT NO. 2738 IN BOOK 38075, PAGE 427, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES, PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963, RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280 OF OFFICIAL RECORDS.

26. EASEMENTS AND RIGHTS OF WAY RESERVED TO THE UNITED STATES OF AMERICA IN DECREE RESERVING TITLE, ENTERED FEBRUARY 15, 1949 IN ACTION NO. 2454-B CIVIL, UNITED STATES DISTRICT COURT, CENTRAL DIVISION, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 25, 1949 AS INSTRUMENT NO. 342, IN BOOK 29672, PAGE 52, OFFICIAL RECORDS, WHICH EASEMENT AND RIGHTS OF WAY ARE SET FORTH IN SAID DECREE AS FOLLOWS:

A. THE RIGHT-OF-WAY, FROM TIME TO TIME, TO LAY, CONSTRUCT, MAINTAIN, OPERATE, REPAIR, ALTER AND REMOVE PIPE LINES, INCLUDING, BUT NOT LIMITED TO ONE 6" AND ONE 16" PIPE LINE, AS NOW LAID, FOR THE TRANSPORTATION OF OIL, GAS, WATER AND OTHER SUBSTANCES ALONG A STRIP OF LAND, 20 FEET IN WIDTH, WITH THE RIGHT OF INGRESS AND EGRESS TO AND FROM THE SAME, OVER, THROUGH, UNDER AND ALONG THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS PARCEL NO. 7, IN THAT CERTAIN ACTION ENTITLED, UNITED STATES VS. CERTAIN PARCELS OF LAND IN THE CITY OF LOS ANGELES, ET AL., CASE NO. 2454-B CIVIL, THE CENTER LINE OF SAID 20 FOOT RIGHT-OF-WAY BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHWESTERLY LINE OF THE 60 FOOT STRIP OF LAND DESIGNATED AS PARCEL NO. 7, AFORESAID, DISTANT

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THEREON SOUTHWESTERLY 370 FEET, MORE OR LESS, FROM ITS INTERSECTION WITH THE NORTHWESTERLY LINE OF PLAYA STREET, AS VACATED BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY ON APRIL 10, 1905; THENCE SOUTHEASTERLY TO POINT IN THE SOUTHEASTERLY LINE OF SAID 60 FOOT STRIP OF LAND DISTANT THEREON SOUTHWESTERLY 490 FEET, MORE OR LESS, FROM ITS INTERSECTION WITH SAID NORTHWESTERLY LINE OF PLAYA STREET, AS VACATED.

B. THE RIGHT-OF-WAY, FROM TIME TO TIME, TO LAY, CONSTRUCT, MAINTAIN, OPERATE, REPAIR, ALTER AND REMOVE PIPE LINES FOR THE TRANSPORTATION OF OIL, GAS, WATER AND OTHER SUBSTANCES AND TO CONSTRUCT, MAINTAIN, OPERATE AND REMOVE TELEPHONE LINES, INCLUDING, BUT NOT LIMITED TO ONE 4" OIL LINE, ONE 5" WATER LINE AND ONE TELEPHONE CONDUIT, ALONG A STRIP OF LAND, 20 FEET IN WIDTH, WITH RIGHT OF INGRESS AND EGRESS TO AND FROM THE SAME, OVER, THROUGH, UNDER AND ALONG THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS PARCEL NO. 7, IN THAT CERTAIN ACTION ENTITLED, UNITED STATES OF AMERICA, VS. CERTAIN PARCELS OF LAND IN THE CITY OF LOS ANGELES, ET AL., CASE NO. 2654-B CIVIL, THE CENTER LINE OF SAID 20 FOOT RIGHT-OF-WAY BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF THE 60 FOOT STRIP OF LAND, DESIGNATED A PARCEL NO. 7 AFORESAID, DISTANT THEREON SOUTHWESTERLY 688 FEET, MORE OR LESS, FROM ITS INTERSECTION WITH THE NORTHWESTERLY LINE OF PLAYA STREET, AS VACATED BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY ON APRIL 10, 1905; THENCE SOUTHWESTERLY TO POINT IN THE SOUTHEASTERLY LINE OF SAID 60 FOOT STRIP OF LAND, DISTANT THEREON SOUTHWESTERLY 808 FEET, MORE OR LESS, FROM ITS INTERSECTION WITH SAID NORTHWESTERLY LINE OF PLAYA STREET, AS VACATED.

C. THE RIGHT-OF-WAY, FROM TIME TO TIME, TO CONSTRUCT, MAINTAIN, USE, REPAIR, ALTER AND REMOVE A PRIVATE ROADWAY ALONG A STRIP OF LAND, 40 FEET IN WIDTH, WITH THE RIGHT OF INGRESS AND EGRESS TO AND FROM THE SAME OVER, THROUGH AND ALONG THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS PARCEL 7 IN THAT CERTAIN ACTION ENTITLED UNITED STATES VS. CERTAIN PARCEL OF LAND IN THE CITY OF LOS ANGELES, ET AL., CASE NO. 2454-B CIVIL, THE CENTER LINE OF SAID 40 FOOT RIGHT-OF-WAY BEING DESCRIBED AS FOLLOWS:

BEGINNING A A POINT IN THE NORTHWESTERLY LINE OF THE 60 FOOT STRIP OF LAND DESIGNATED AS PARCEL NO. 7, AFORESAID, DISTANT THEREON SOUTHWESTERLY 850 FEET, MORE OR LESS, FROM ITS INTERSECTION WITH THE NORTHWESTERLY LINE OF PLAYA STREET, AS VACATED BY ORDER OF THE BOARD OF SUPERVISORS OF SAID COUNTY ON

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APRIL 10, 1905; THENCE SOUTHEASTERLY AT RIGHT ANGLES 60 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF SAID 60 FOOT STRIP OF LAND, DISTANT THEREON SOUTHWESTERLY 970 FEET, MORE OR LESS, FROM ITS INTERSECTION WITH SAID NORTHWESTERLY LINE OF PLAYA STREET, AS VACATED.

TOGETHER WITH THE CONTINUATION OF SAID RIGHT-OF-WAY FOR PRIVATE ROADWAY ON SAID PARCEL NO. 7 ALONG A STRIP OF LAND, 14 FEET IN WIDTH, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF THE ABOVE DESCRIBED 40 FOOT STRIP OF LAND, DISTANT THEREON NORTHWESTERLY 7 FEET FROM ITS INTERSECTION WITH THE SOUTHEASTERLY OF SAID 60 FOOT STRIP OF LAND; THENCE NORTHEASTERLY PARALLEL WITH AND 7 FEET NORTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM SAID SOUTHWESTERLY LINE, 130 FEET, MORE OR LESS.

ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES, PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963, RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280 OF OFFICIAL RECORDS.

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

27. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO PURPOSE	COUNTY OF LOS ANGELES CONSTRUCTING, MAINTAINING, OPERATING AND USING CHANNELS OR FACILITIES NECESSARY FOR THE DEVELOPMENT OF A SMALL CRAFT HARBOR AND RECREATION AREA
RECORDED	APRIL 1, 1957 IN BOOK 54087, PAGE 164, OFFICIAL RECORDS
AFFECTS	PARCELS 4, 5, AND 6 OF QUAD III

28. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO PURPOSE	INDUSTRIAL FUEL SUPPLY COMPANY, A CORPORATION PIPE LINE
RECORDED	SEPTEMBER 17, 1931 IN BOOK 11148, PAGE 126, OF OFFICIAL RECORDS

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SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT.

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

29. THE RIGHT AFFECTING THOSE PORTIONS OF THE RAMONA S. DE MACHADO 341.85095 ACRE ALLOTMENT IN THE RANCHO LA BALLONA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN CASE NO. 2722, DISTRICT COURT, AND RECORDED IN BOOK 3, PAGE 204 ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

THOSE CERTAIN PARCELS OF LAND DESIGNATED AS "FIRST", "SECOND" AND "THIRD", IN THE DEED TO THE PACIFIC ELECTRIC RAILWAY COMPANY, RECORDED AUGUST 4, 1926 AS INSTRUMENT NO. 1540, IN BOOK 4680, PAGE 108, OFFICIAL RECORDS;

AND

THAT PORTION OF A STRIP OF LAND, 110 FEET IN WIDTH, DESIGNATED AS "CLAUSE 9" IN THE DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED JULY 14, 1908 IN BOOK 3805, PAGE 107 OF DEEDS; LYING SOUTHEASTERLY OF A LINE PARALLEL WITH AND DISTANT NORTHWESTERLY 33 FEET, MEASURED RADIALY FROM THE NORTHWESTERLY LINE OF THE STRIP OF LAND, 60 FEET IN WIDTH DESIGNATED AS "CLAUSE 1", IN SAID DEED TO LOS ANGELES PACIFIC COMPANY;

AND THAT PORTION OF THE STRIP OF LAND, 60 FEET IN WIDTH, PARTLY WITHIN THE CITY OF LOS ANGELES, DESIGNATED AS "CLAUSE 1" IN SAID DEED TO LOS ANGELES PACIFIC COMPANY, RECORDED JULY 14, 1909 IN BOOK 3806 PAGE 107 OF DEEDS, BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF CULVER BOULEVARD (FORMERLY MESMER AVENUE), AS DESCRIBED IN DEED TO THE CITY OF LOS ANGELES, RECORDED OCTOBER 15, 1927 IN BOOK 7709, PAGE 148, OFFICIAL RECORDS, AND BOUNDED NORTHEASTERLY BY THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED AS PARCEL 7 IN DECLARATION OF TAKING RECORDED NOVEMBER 4, 1942 AS INSTRUMENT NO. 612, IN BOOK 19608, PAGE 346, OFFICIAL RECORDS.

TO PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM SAID LAND BY DIRECTIONAL DRILLING OR ANY OTHER MEANS NOT REQUIRING THE OCCUPANCY OF THE SURFACE OF SAID LAND OR OF ANY PORTION THEREOF, INCLUDING THE RIGHT TO COMBINE SAID PROPERTY IN ANY COMMUNITY OIL LEASE, BUT NOT INCLUDING THE RIGHT TO ENTER UPON OR OCCUPY ANY PORTION OF THE SURFACE OF SAID LAND FOR SUCH PURPOSES, AS RESERVED BY PACIFIC ELECTRIC RAILWAY COMPANY, IN DEED RECORDED APRIL 3, 1946 IN BOOK 22930, PAGE 272, OFFICIAL

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RECORDS.

SAID MATTER AFFECTS: PARCELS 2, 4, AND 5 OF QUAD III

30. AN ACTION IN THE SUPERIOR COURT	
COMMENCED	MAY 15, 1961
ENTITLED	LOS ANGELES FLOOD CONTROL DISTRICT VS. SHELL OIL COMPANY, ET AL.
CASE NUMBER	771085
COUNTY OF	LOS ANGELES
NATURE OF ACTION	TO CONDEMN THE SLOPE EASEMENT FOR THE WIDENING OF FLOOD CONTROL CHANNEL
NOTICE OF SAID ACTION RECORDED	MAY 15, 1961 AS INSTRUMENT NO. 5153 IN BOOK M-771, PAGE 334, OFFICIAL RECORDS
AFFECTS	THOSE PORTIONS OF PARCELS 4 AND 5 OF QUAD III MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH,
1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND
ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

31. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE
PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES CONDEMNED BY
FINAL DECREE

IN FAVOR OF	COUNTY OF LOS ANGELES
FOR	SLOPE EASEMENTS
CASE NO.	968057 SUPERIOR COURT, LOS ANGELES COUNTY
RECORDED	MARCH 31, 1972 AS INSTRUMENT NO. 5578, IN BOOK D5413, PAGE 512, OFFICIAL RECORDS
AFFECTS	PARCELS 2 OF QUAD III

AS AMENDED BY ORDER NUNC PRO TUNC RECORDED APRIL 26, 1972 AS
INSTRUMENT NO. 2934, OFFICIAL RECORDS.

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY
DESCRIBED IN SAID DOCUMENT.

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH,
1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND
ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

32. INTENTIONALLY DELETED.

33. INTENTIONALLY DELETED.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

34. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO	SOUTHERN CALIFORNIA GAS COMPANY,
PURPOSE	A CALIFORNIA CORPORATION
RECORDED	PIPE LINE AND PRIVATE DRIVEWAY PURPOSES
	AUGUST 30, 1963 IN BOOK M-1338, PAGE 280,
	OFFICIAL RECORDS
AFFECTS	A STRIP OF LAND, 25 FEET IN WIDTH, BEING 12.5
	FEET ON EITHER SIDE OF SAID CENTER LINE OF
	PARCELS 5-1 AND 6-2, AS DESCRIBED THEREIN

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

35. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO	LOS ANGELES COUNTY FLOOD CONTROL DISTRICT
PURPOSE	BICYCLE TRAIL
RECORDED	AUGUST 30, 1978
INSTRUMENT/FILE NO	78-963251, OF OFFICIAL RECORDS
AFFECTS	PARCELS 4, 5 AND 6 OF QUAD III

36. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO	SOUTHERN CALIFORNIA GAS COMPANY
PURPOSE	PUBLIC UTILITIES
RECORDED	AUGUST 30, 1963 IN BOOK D2166, PAGE 904
	AS INSTRUMENT NO. 7056, OF OFFICIAL RECORDS

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT.

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES, PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963, RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280, OF OFFICIAL RECORDS.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

37. AN EASEMENT AFFECTING SAID LAND FOR THE PURPOSE OF CONFINING FLOOD WATERS WITHIN THE LINES OF LA BALLONA FLOOD CONTROL CHANNEL, 380 FEET WIDE, THE CENTER LINE OF SAID CHANNEL BEING MORE PARTICULARLY DESCRIBED IN PROCEEDINGS HAD IN LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 397002, AS REQUIRED IN BOOK 515, PAGE 388 OF OFFICIAL RECORDS, AND RECORDED IN BOOK 16355, PAGE 127, OFFICIAL RECORDS, AND BY FINAL DECREE OF CONDEMNATION, A CERTIFIED COPY OF SAID DECREE RECORDED IN BOOK 16382, PAGE 191, OFFICIAL RECORDS.

BY DEED RECORDED IN BOOK 21861, PAGE 273, OFFICIAL RECORDS, LOS ANGELES COUNTY FLOOD CONTROL DISTRICT QUITCLAIMED ALL INTEREST IN THE EASEMENT AS ACQUIRED BY DEED RECORDED IN BOOK 515, PAGE 388 OF OFFICIAL RECORDS, EXCEPT THAT PORTION OF SAID EASEMENT INCLUDED WITHIN THE BOUNDARIES OF SAID 380 FOOT CHANNEL.

SAID MATTER AFFECTS: PARCELS 4, 5 AND 6 OF QUAD III

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

38. AN EASEMENT TO EXTEND EMBANKMENT SLOPES BEYOND THE SOUTHEASTERLY LIMITS OF CULVER BOULEVARD FOR THE PURPOSE OF CONSTRUCTING AN OVERHEAD GRADE SEPARATION, SEPARATING CULVER BOULEVARD FROM LINCOLN BOULEVARD, OVER THAT PORTION OF SAID LAND MORE PARTICULARLY DESCRIBED IN AND GRANTED TO THE COUNTY OF LOS ANGELES, BY DEED RECORDED IN BOOK 11340, PAGE 265, OFFICIAL RECORDS.

SAID MATTER AFFECTS: PARCEL 6 OF QUAD III

39. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO
PURPOSE
RECORDED

AFFECTS

SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION
PIPE LINES AND/OR OIL WELL PURPOSES
AUGUST 21, 1959 AS INSTRUMENT NO. 4834, AND
BY DOCUMENT RECORDED IN BOOK 19597, PAGE 105,
OFFICIAL RECORDS, AND BY DOCUMENT RECORDED
IN BOOK D356, PAGE 958, OFFICIAL RECORDS, AND
ALSO DISCLOSED IN AN ASSIGNMENT OF EASEMENTS
AND RIGHTS OF WAY RECORDED NOVEMBER 23, 1959
IN BOOK D672, PAGE 138, OFFICIAL RECORDS
PORTIONS OF QUAD III AS MORE PARTICULARLY
DESCRIBED THEREIN

ALL EASEMENTS AND RIGHTS OF WAY INCLUDING THOSE FOR PIPE LINES,

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

PRIVATE ROADWAY AND INGRESS AND EGRESS IN, ON, OVER, THROUGH AND ACROSS THE SAID PARCEL, ARE LIMITED BY AND SUBJECT TO THE PROVISIONS AND CONDITIONS OF THE QUITCLAIM BY SOUTHERN CALIFORNIA GAS COMPANY IN THE AGREEMENT DATED AUGUST 15, 1963, RECORDED AUGUST 30, 1963 IN BOOK M1338, PAGE 280 OF OFFICIAL RECORDS.

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH, 1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

40. INTENTIONALLY DELETED.

41. INTENTIONALLY DELETED.

42. THE MATTERS CONTAINED IN AN INSTRUMENT:
ENTITLED | GRANTS OF EASEMENTS AND AGREEMENT TO
CONVEY WATER AND RECORD
DATED | DECEMBER 8, 1997
BY AND BETWEEN: PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED
LIABILITY COMPANY AND HOWARD HUGHES REALTY, INC., A NEVADA
CORPORATION UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN
PROVIDED.
RECORDED | DECEMBER 10, 1997
INSTRUMENT NO. | 97-1945635, OFFICIAL RECORDS

42A. THE MATTERS CONTAINED IN AN INSTRUMENT:
ENTITLED | EXCESS PROPERTY EASEMENT AGREEMENT
DATED | DECEMBER 8, 1997
BY AND BETWEEN: PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED
LIABILITY COMPANY AND HOWARD HUGHES REALTY, INC., A NEVADA
CORPORATION UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN
PROVIDED.
RECORDED | DECEMBER 10, 1997
INSTRUMENT NO. | 97-1945636, OFFICIAL RECORDS

43. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: FRANK L. MARTZ AND MAJORIE OKAMOTO, AS OWNERS,
AND MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED
PARTNERSHIP, UPON THE TERMS AND CONDITIONS AND COVENANTS
THEREIN PROVIDED
RECORDED | JULY 8, 1991
INSTRUMENT/FILE NO | 91-1033269, OF OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

44. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: WILLIAM V. BALLOUGH AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON
THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | JULY 15, 1991
INSTRUMENT/FILE NO | 91-1079416, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

45. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | EASEMENT AGREEMENT
DATED | APRIL 15, 1991
BY AND BETWEEN: MURRAY HANDELMAN AND MAXINE HANDELMAN, AND
MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED
PARTNERSHIP, UPON THE TERMS AND CONDITIONS AND COVENANTS
THEREIN PROVIDED

RECORDED | JULY 15, 1991
INSTRUMENT/FILE NO | 91-1079417, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

46. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: BEVERLY P. KING AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON
THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | JULY 15, 1991
INSTRUMENT/FILE NO | 91-1079418, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

47. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: JAMES B. AYERS AND PUALA M. AYERS AND MAGUIRE
THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP,
UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | JULY 15, 1991

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

INSTRUMENT/FILE NO | 91-1079419, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

48. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: THOMAS C. BAILEY AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP UPON THE
TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | JULY 15, 1991
INSTRUMENT/FILE NO | 91-1079420, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

49. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: GLORIA P. BRUCE, TRUSTEE OF THE GLORIA PERI
BRUCE LIVING TRUST UPON THE TERMS AND CONDITIONS AND COVENANTS
THEREIN PROVIDED
RECORDED | JULY 15, 1991
INSTRUMENT/FILE NO | 91-1079421, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

50. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: RICHARD H. KIRSCHNER AND PAUL SCIBETTA AND
MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED
PARTNERSHIP UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN
PROVIDED
RECORDED | JULY 26, 1991
INSTRUMENT/FILE NO | 91-1162895, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

51. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: SCOTT W. LEFTWICH, JAMES M. LEFTWICH AND TONI
A. LEFTWICH, AND MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A
CALIFORNIA LIMITED PARTNERSHIP, UPON THE TERMS AND CONDITIONS

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

AND COVENANTS THEREIN PROVIDED

RECORDED | JULY 26, 1991
INSTRUMENT/FILE NO | 91-1164700, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

52. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: RICHARD H. KIRSCHNER AND PAUL SCIBETTA, AND
MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED
PARTNERSHIP, UPON THE TERMS AND CONDITIONS AND COVENANTS
THEREIN PROVIDED
RECORDED | JULY 26, 1991
INSTRUMENT/FILE NO | 91-1164701, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

53. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: BERNICE TOES AND MAGUIRE THOMAS PARTNERS-PLAYA
VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON THE TERMS AND
CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | JULY 26, 1991
INSTRUMENT/FILE NO | 91-1164702, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

54. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: VERNON D. YOUNG AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON
THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | AUGUST 19, 1991
INSTRUMENT/FILE NO | 91-1299572, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

55. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

BY AND BETWEEN: CHARLES R. LEIB AND JULIA A. LEIB, AND MAGUIRE
THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP
UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | AUGUST 19, 1991
INSTRUMENT/FILE NO | 91-1299573, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

56. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: SAM SHER AND NETTIE SHER, AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON
THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | OCTOBER 2, 1991
INSTRUMENT/FILE NO | 91-1556070, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

57. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: MARTIN H. LAVITT AND PENNY LAVITT, AND MAGUIRE
THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP
UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | OCTOBER 2, 1991
INSTRUMENT/FILE NO | 91-1556071, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

58. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: CARL A. BLOMQUIST AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP UPON THE
TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | OCTOBER 2, 1991
INSTRUMENT/FILE NO | 91-1556072, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

59. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

BY AND BETWEEN: LILLIAN E. SNORTUM AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON
THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | OCTOBER 31, 1991
INSTRUMENT/FILE NO | 91-1730658, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

60. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: RICHARD BRADLEY AND MARJORIE BRADLEY, AND
MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED
PARTNERSHIP UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN
PROVIDED
RECORDED | OCTOBER 31, 1991
INSTRUMENT/FILE NO | 91-1730659, OF OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

SAID MATTER AFFECTS: QUAD III

61. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: ALLEN J. NUGIER AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON
THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | OCTOBER 31, 1991
INSTRUMENT/FILE NO | 91-1730660, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

62. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: PATRICIA M. BROWN AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON
THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | OCTOBER 31, 1991
INSTRUMENT/FILE NO | 91-1730661, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

63. THE MATTERS CONTAINED IN AN INSTRUMENT

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: ANN CARLTON BOSE AND ALLEN J. NUGIER, AND
MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED
PARTNERSHIP, UPON THE TERMS AND CONDITIONS AND COVENANTS
THEREIN PROVIDED
RECORDED | NOVEMBER 8, 1991
INSTRUMENT/FILE NO | 91-1779300, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

64. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: TOM BEAUDETTE AND MAGUIRE THOMAS PARTNERS-PLAYA
VISTA, A CALIFORNIA LIMITED PARTNERSHIP UPON THE TERMS AND
CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | NOVEMBER 8, 1991
INSTRUMENT/FILE NO | 91-1779301, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

65. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: ALLEN J. NUGIER AND MAGUIRE THOMAS
PARTNERS-PLAYA-VISTA, A CALIFORNIA LIMITED PARTNERSHIP UPON THE
TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | NOVEMBER 8, 1991
INSTRUMENT/FILE NO | 91-1779302, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

66. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | OCTOBER 29, 1991
BY AND BETWEEN: NOT SHOWN UPON THE TERMS AND CONDITIONS AND
COVENANTS THEREIN PROVIDED
RECORDED | NOVEMBER 27, 1991
INSTRUMENT/FILE NO | 91-1883228, OF OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

SAID MATTER AFFECTS: PARCEL 3 OF QUAD III

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

67. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: EVERETT WILBUR AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP UPON THE
TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | MAY 8, 1992
INSTRUMENT/FILE NO | 92-832608, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

68. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "EASEMENT AGREEMENT"
DATED | APRIL 15, 1991
BY AND BETWEEN: B. MAX IVERSON AND MAGUIRE THOMAS
PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED PARTNERSHIP, UPON
THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED
RECORDED | JUNE 9, 1992
INSTRUMENT/FILE NO | 92-1046530, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 2 AND 4 OF QUAD III

69. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED | "MEMORANDUM OF AGREEMENT"
DATED | JANUARY 4, 1996
BY: MAGUIRE THOMAS PARTNERS-PLAYA VISTA, A CALIFORNIA LIMITED
PARTNERSHIP UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN
PROVIDED
RECORDED | APRIL 23, 1996
INSTRUMENT/FILE NO | 96-637590, OF OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS

SAID MATTER AFFECTS: QUAD II, QUAD III AND IV

70. INTENTIONALLY DELETED.

71. INTENTIONALLY DELETED.

72. INTENTIONALLY DELETED.

73. INTENTIONALLY DELETED.

74. INTENTIONALLY DELETED.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

75. INTENTIONALLY DELETED.

76. INTENTIONALLY DELETED.

77. THE MATTERS CONTAINED IN AN INSTRUMENT

ENTITLED	EASEMENT AGREEMENT
UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED	
RECORDED	FEBRUARY 17, 2000
INSTRUMENT/FILE NO	00-251447, OF OFFICIAL RECORDS

78. INTENTIONALLY DELETED.

79. INTENTIONALLY DELETED.

80. RIGHTS OF THE FOLLOWING UNDER VARIOUS OFF-RECORD LEASES, AGREEMENTS AND LICENSES, TO USE PORTION OF SAID LAND:

A. LICENSE AGREEMENT BETWEEN HHPLP AND JACK GORDON, DATED JULY 13, 1987.

SAID MATTER AFFECTS: PORTION OF PARCEL 2 OF QUAD III

B. LICENSE AGREEMENT BETWEEN SUMMA CORPORATION AND GERALD W. COLVIN, DATED JUNE 15, 1984.

SAID MATTER AFFECTS: PORTION OF PARCEL 2 OF QUAD III

C. LICENSE AGREEMENT BETWEEN SUMMA CORPORATION AND JUNE MALTCHIEFF, DATED OCTOBER 25, 1983.

SAID MATTER AFFECTS: PORTION OF PARCEL 2 OF QUAD III

D. LICENSE AGREEMENT BETWEEN SUMMA CORPORATION AND LUC MATILLA, DATED JULY 7, 1984.

SAID MATTER AFFECTS: PORTION OF PARCEL 2 OF QUAD III

E. LICENSE AGREEMENT BETWEEN SUMMA CORPORATION AND WESTREY CLUBS, INC., DATED MAY 1, 1983.

SAID MATTER AFFECTS: PORTION OF PARCEL 2 OF QUAD III

81. INTENTIONALLY DELETED.

82. INTENTIONALLY DELETED.

83. INTENTIONALLY DELETED.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

84. INTENTIONALLY DELETED.

85. INTENTIONALLY DELETED.

86. INTENTIONALLY DELETED.

87. AN EASEMENT OR OTHER PROVISIONS FOR THE PURPOSES SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SHOWN ON THE RECORDED MAP:

MAP NO.	TRACT NO. 27933
EASEMENT PURPOSE	BAY STREET
AFFECTS	PARCEL 2 QUAD IV

88. AN EASEMENT FOR THE PURPOSES SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SHOWN OR AS OFFERED FOR DEDICATION ON THE RECORDED MAP SHOWN BELOW

MAP NO	TRACT NO. 49104-03
EASEMENT PURPOSE	PLAY VISTA DRIVE
AFFECTS	PARCEL 2 QUAD IV

89. THE MATTERS CONTAINED IN AN INSTRUMENT:

ENTITLED	PERMANENT ECOSYSTEM RESTORATION EASEMENT AGREEMENT
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DATED	AUGUST 15, 2002
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BY AND BETWEEN: PLAYA CAPITAL COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY AND THE CITY OF LOS ANGELES AND ITS PERMITTED SUCCESSORS AND ASSIGNS UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED.

RECORDED	AUGUST 22, 2002
INSTRUMENT NO.	02-1977694, OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

90. THE MATTERS CONTAINED IN AN INSTRUMENT:

ENTITLED	EASEMENT AGREEMENT
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DATED	OCTOBER 24, 2002
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BY AND BETWEEN: LAGUNA DEL REY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY AND PLAYA CAPITAL COMPANY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED.

RECORDED	NOVEMBER 7, 2002
INSTRUMENT NO.	02-2669323, OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

91. THE PROVISIONS IN THE DEED PROHIBITING THE BUYING, SELLING OR HANDLING OF INTOXICATING LIQUORS UPON SAID LAND, ALSO PROVIDE THAT A VIOLATION THEREOF SHALL NOT DEFEAT OR RENDER INVALID THE

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

LIEN OF ANY MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE, ANY OTHER COVENANTS, CONDITIONS AND RESTRICTIONS IN SAID DEED BEING UNENFORCEABLE,

RECORDED | IN BOOK 13194, PAGE 46, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCEL 7 OF QUAD III

92. AN EASEMENT FOR THE PURPOSES SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SHOWN OR AS OFFERED FOR DEDICATION ON THE RECORDED MAP SHOWN BELOW

MAP NO	9167
IN FAVOR OF	THE CITY OF LOS ANGELES
EASEMENT PURPOSE	SANITARY SEWERS
AFFECTS	THE REAR 7.00 FEET OF LOTS 1 TO 11 AND 13
	OF PARCELS 8 AND 9 OF QUAD III

93. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO	TITLE GUARANTEE AND TRUST COMPANY, A CORPORATION
PURPOSE	POLES, CONDUITS, SEWER, WATER AND GAS PIPES
RECORDED	IN BOOK 11238, PAGE 265, OFFICIAL RECORDS
AFFECTS	PORTIONS OF PARCELS 8, 9 AND 11 OF QUAD III
	AS MORE PARTICULARLY DESCRIBED IN SAID DOCUMENT

94. THE PROVISIONS IN THE DEED PROHIBITING THE BUYING, SELLING OR HANDLING OF INTOXICATING LIQUORS UPON SAID LAND, ALSO PROVIDE THAT A VIOLATION THEREOF SHALL NOT DEFEAT OR RENDER INVALID THE LIEN OF ANY MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE, ANY OTHER COVENANTS, CONDITIONS AND RESTRICTIONS IN SAID DEED BEING UNENFORCEABLE,

IN FAVOR OF	TITLE GUARANTEE AND TRUST COMPANY, A CORPORATION
RECORDED	IN BOOK 11238, PAGE 265, OF OFFICIAL RECORDS

SAID MATTER AFFECTS: PARCELS 8, 9 AND 11 OF QUAD III

95. AN EASEMENT FOR THE PURPOSES SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SHOWN OR AS OFFERED FOR DEDICATION ON THE RECORDED MAP SHOWN BELOW

MAP NO	SUBDIVISION 9167
IN FAVOR OF	THE CITY OF LOS ANGELES
EASEMENT PURPOSE	SANITARY SEWERS
AFFECTS	THE NORTH 4 FEET OF LOTS 1 AND 2 AND THE NORTH
	7 FEET OF LOTS 4, 5 AND 6 OF PARCELS 10 AND 11

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

| OF QUAD III

(AS SHOWN ON THAT CERTAIN ALTA SURVEY DATED FEBRUARY & MARCH,
1984 AND REVISED FEBRUARY 15, 1989, PREPARED BY PSOMAS AND
ASSOCIATES UNDER JOB NO. 1 HUG 0701-03)

96. INTENTIONALLY DELETED.

97. INTENTIONALLY DELETED.

98. INTENTIONALLY DELETED.

99. INTENTIONALLY DELETED.

100. THE MATTERS CONTAINED IN AN INSTRUMENT:
ENTITLED | EASEMENT AGREEMENT
DATED | FEBRUARY 21, 2003
BY AND BETWEEN: BALLONA WETLANDS FOUNDATION, A CALIFORNIA
NON-PROFIT PUBLIC BENEFIT CORPORATION AND PLAYA CAPITAL
COMPANY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY UPON THE
TERMS AND CONDITIONS AND COVENANTS THEREIN PROVIDED.
RECORDED | MARCH 7, 2003
INSTRUMENT NO. | 03-0666343, OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

101. THE MATTERS CONTAINED IN AN INSTRUMENT:
ENTITLED | DEED RESTRICTION
BY : PLAYA CAPITAL COMPANY, LLC, A CALIFORNIA LIMITED LIABILITY
COMPANY UPON THE TERMS AND CONDITIONS AND COVENANTS THEREIN
PROVIDED.
RECORDED | MARCH 7, 2003
INSTRUMENT NO. | 03-0666344, OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

102. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS
INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT:

GRANTEE | CITY OF LOS ANGELES,
A MUNICIPAL CORPORATION
PURPOSE | PUBLIC STREET
RECORDED | MAY 1, 2003
INSTRUMENT/FILE NO. | 03-1249250, OF OFFICIAL RECORDS

SAID MATTER AFFECTS A PORTION OF SAID LAND AS MORE PARTICULARLY
DESCRIBED IN SAID DOCUMENT.

SAMPLE FORM

CLTA STANDARD COVERAGE POLICY 1990

040115088 (A1)

103. THE MATTERS CONTAINED IN AN INSTRUMENT:
ENTITLED | AGREEMENT
DATED | JUNE 1, 2002
BY AND BETWEEN: WEST BASIN MUNICIPAL WATER DISTRICT AND PLAYA
CAPITAL COMPANY, LLC UPON THE TERMS AND CONDITIONS AND
COVENANTS THEREIN PROVIDED.
RECORDED | JULY 30, 2003
INSTRUMENT NO. | 03-2184704, OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

104. THE MATTERS CONTAINED IN AN INSTRUMENT:
ENTITLED | AGREEMENT
DATED | JUNE 1, 2002
BY AND BETWEEN: WEST BASIN MUNICIPAL WATER DISTRICT AND PLAYA
CAPITAL COMPANY, LLC UPON THE TERMS AND CONDITIONS AND
COVENANTS THEREIN PROVIDED.
RECORDED | JULY 30, 2003
INSTRUMENT NO. | 03-2184705, OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

NOTE:

THIS IS A PRO-FORMA POLICY, FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE ANY AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS, WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.